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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, ~~1929~~

No. ~~650~~

LOUIS H. ENSTEN AND LION KNITTING MILLS COMPANY, PETITIONERS,

vs.

SIMON ASCHER & COMPANY, INCORPORATED

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR CERTIORARI FILED FEBRUARY 10, 1930

CERTIORARI GRANTED MARCH 12, 1930

(34,781)

(34,781)

SUPREME COURT OF THE UNITED STATES

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JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., MARCH 22, 1930

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IN UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

In Equity. No. —

Louis H. Ensten and Lion Knitting Mills Company, Exclusive Licensee, Plaintiffs,

against

Simon Ascher & Co., Inc., Defendant

On Patent No. 1,313,080

Bill of Complaint—Filed November 9, 1929

To the Honorable Judges of the District Court of the United States in and for the Southern District of New York, sitting in equity:

Plaintiffs bring this its bill in equity against the defendant herein named, and complains and says:

I

Parties

1. Plaintiff, Louis H. Ensten, is a citizen of the State of Ohio, and a resident of the City of Cleveland, in the State of Ohio.

[fol. 2] 2. Plaintiff, Lion Knitting Mills Company, is a corporation duly organized and existing pursuant to the laws of Ohio, a licensee under the patent in suit hereinafter mentioned.

3. Defendant, Simon Ascher & Co., Inc., is a corporation duly organized and existing under and by virtue of the laws of the State of New York, and a citizen and inhabitant of said State, with a regular and established place of business at 1 East 35th Street, in the Borough of Manhattan, City of New York and County of New York, in said state.

II

Jurisdiction

4. This is a suit in equity arising under the patent laws of the United States for infringement of the United States Letters Patent below described.

And for their cause of action, plaintiffs allege:

III

Cause of Action

5. Prior to the 30th day of April, 1919, Louis H. Ensten was the first, original and sole inventor of the improvements and inventions described and claimed in United States Letters Patent numbered 1,313,080, which improvements and inventions were not known or used by others in [fol. 3] this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than two years prior to the date upon which he made application for Letters Patent therefor as hereinafter set forth, and not in public use or on sale in this country for more than two years prior to the date of his said application, and not abandoned, and not patented or caused to be patented by himself or his legal representatives or assigns in any country foreign to the United States upon an application filed more than twelve months prior to the filing of his said application in this country. Being entitled to a patent for the said improvements and inventions under the provisions of the statutes of the United States then in force, the said Louis H. Ensten did, on the 30th day of April, 1919, duly file in the United States Patent Office an application for Letters Patent therefor.

6. Thereafter, and on the 12th day of August, 1919, all requirements of the statutes of the United States then in force having been duly complied with, Letters Patent of the United States for said inventions and improvements, signed, sealed and executed in due form of law, were duly issued to the said Louis H. Ensten, and the Letters Patent so issued was numbered 1,313,080.

7. Plaintiff, Lion Knitting Mills Company of Cleveland, Ohio, is engaged in the business of manufacturing and sell- [fol. 4] ing knitted goods, and particularly knitted caps using the invention of the Ensten patent herein in suit, numbered 1,313,080, and that it is and has been for many years last past an exclusive licensee under said patent, this license being an oral license, and it has been ever since the date of the issuance of Letters Patent on Aug. 12th, 1919.

8. The said inventions and improvements patented aforesaid in Letters Patent No. 1,313,080 are of great value and utility to the plaintiffs and to the public generally; and the plaintiffs, since the date of invention thereof, have caused to be manufactured a very large number of knitted caps embodying the said invention and improvements. The plaintiffs have expended large sums of money in causing the said invention and improvements to be developed and have built up a large and profitable business for the exploitation and sale of knitted caps manufactured and produced by said plaintiff corporation, so that the said invention and improvements, and the patent rights relating to the same, have been and are of great utility and value to the plaintiffs, and but for the unlawful acts of the defendant herein complained of, would have been of greater benefit and value to them.

9. Defendant, well knowing the premises and with intent to injure and defraud the plaintiffs has, since the grant of said Letters Patent and within six years prior to the filing of this Bill of Complaint, and within the Southern District of New York, and elsewhere, infringed upon said Letters Patent, by making and using and selling knitted caps [fol. 5] embodying the improvements, and invention thereof, and threatens to continue so to infringe, all to the great and irreparable damage of the plaintiffs and to the unlawful gain and profit of the defendant.

10. Defendant, as plaintiffs are informed and believe and therefore aver, has derived and received, and will derive and receive from the infringement complained of, large gains, profits and advantages but to what amount the plaintiffs are not informed and cannot set forth. By reason of the said infringement the plaintiffs have been and, unless such infringement be forthwith restrained by this court,

will be deprived of and prevented from, receiving the gains, profits, and advantages to which they are lawfully entitled and which they would have derived and received, and would now be deriving and receiving but for the said infringement. By reason of the said infringement, the plaintiffs have been irreparably injured, and have sustained losses and damages therefrom, and unless the infringement complained of be immediately restrained, further irreparable injury and loss and damage will be caused to the rights of the plaintiffs under said Letters Patent.

11. Plaintiffs have manufactured and used, since the date of said invention, a substantial number of knitted caps embodying the improvements and invention of said patent, and has affixed thereto the word "patented" together with the date of the patent aforesaid as provided by Section 4900 [fol. 6] of the Revised Statutes of the United States. Plaintiffs have, prior to the date of the filing of this suit, duly notified the defendant of their rights in the premises, and of the fact that the defendant was infringing thereupon, but the defendant has continued, after such notice, to make, use and sell the knitted caps embodying the improvements and invention of said patent.

12. The plaintiffs have no plain, adequate and complete remedy at law.

IV

Prayer for Relief

Wherefore plaintiffs pray:

1. For a decree adjudging and declaring that the said Letters Patent No. 1,313,080 are good and valid and owned by the said Louis H. Ensten, and have been infringed by the defendant.

2. That a preliminary injunction may be issued enjoining and restraining said defendant and its officers, agents, servants, and employees, and each and all of them, as well as any and all persons acting or claiming to act on behalf of them or any of them, from directly or indirectly making or causing to be made, using or causing to be used, selling or causing to be sold articles embodying the inventions of said

Letters Patent No. 1,313,080; and from infringing upon and/or violating the rights of the plaintiffs in said Letters [fol. 7] Patent in any way whatsoever, pending the determination of this suit and until further order of this court.

3. That a perpetual injunction may be issued of the same tenor and effect as the preliminary injunction hereinabove prayed for.

4. That defendant be ordered and decreed to deliver up to the plaintiffs each and all of the said infringing articles which it has in its possession or under its control, or that the same may be destroyed, or delivered into the court or impounded by the court for such final disposition as to it may seem just and proper.

5. That defendant be required to account for and pay over to the plaintiffs such gains and profits as have accrued or arisen or been earned or received by them, or any of them, from the unlawful manufacture, use or sale of the invention patented in and by the Letters Patent aforesaid, and in addition thereto, the damages plaintiff have sustained thereby; and that the amount of the damages for said infringement may, in view of the wanton character of the infringement, be increased to a sum not exceeding three times the amount thereof.

6. That defendant be decreed to pay the cost of this suit.

[fol. 8] 7. That plaintiffs may have such other, further and different relief as the circumstances and the equity of the case may require.

Lion Knitting Mills Company, by L. H. Ensten, Secretary. L. H. Esten, Plaintiff. O. Ellery Edwards, Solicitor for Plaintiffs.

IN UNITED STATES DISTRICT COURT

ORDER TO SHOW CAUSE

Upon the verified bill of complaint herein and the supporting affidavit of Louis H. Ensten, and the exhibits referred to therein, and on motion of the plaintiffs,

Let the defendant, Simon Ascher & Co., Inc., show cause before this Court at Room 235 in the United States Court House and Post Office Building, Broadway and Park Row, in the Borough of Manhattan, City, County and State of New York, on the 22nd day of November, 1929, at 10:30 A. M., or as soon thereafter as counsel can be heard, Why a preliminary injunction should not issue herein restraining and enjoining the defendant, Simon Ascher & Co., Inc., its officers, agents, partners, servants, and employees, and each and all of them, as well as any and all persons acting or claiming to act on behalf of them or any of them, from [fol. 9] directly or indirectly making or causing to be made, using or causing to be used, selling or causing to be sold, machines or devices embodying the inventions of Letters Patent of the United States No. 1,313,080, and from infringing upon or violating the rights of plaintiffs in said Letters Patent in any way whatsoever, pending the determination of this suit and until further order of this Court; and it is further.

Ordered—

1. That copies of the bill of complaint herein, the supporting affidavit together with its exhibits, and this order be served on the defendant by the Marshal on or before 6 o'clock on Tuesday, November 14, 1929;

2. That answering affidavits, if any, be served on plaintiffs' solicitor, O. Ellery Edwards, at his office in Room 1677, #233 Broadway, New York City, at or before 12 o'clock noon on Tuesday, November 19, 1929;

3. That rebuttal affidavits, if any, may be served upon the defendant or any counsel who may appear to represent it at the time and place above named for the hearing of this order to show cause.

Dated New York, N. Y., November 9, 1929.

Bondy, United States District Judge.

[fol. 10] IN UNITED STATES DISTRICT COURT

AFFIDAVIT OF L. H. ENSTEN—Verified November 8, 1929

Louis H. Ensten, being duly sworn, deposes and says:

I am one of the plaintiffs in the above entitled case and am familiar with facts and circumstances connected therewith.

I further depose and say that the patent in suit, No. 1,313,080, was taken out by me under date of August 12, 1919, and thereafter became involved in a suit against the Rich-Sampliner Company in the United States District Court of Cleveland, Ohio, under date of August 20th, 1920, and on May 24th, 1922, that court entered an interlocutory decree holding Claims 1, 3, 4 and 5 valid and infringed, and claim 2 invalid.

On June 10, 1922, an appeal was taken by the defendants to the Circuit Court of Appeals, Sixth Circuit, known as appeal #3776. In due season this Circuit Court of Appeals rendered an opinion under date of June 30th, 1923, and a mandate was filed October 18th, 1923. The upper court affirmed the lower as to validity and infringement of Claims 1, 3, 4 and 5 of said Letters Patent, but did not pass on the validity of Claim 2. The opinion of this Court will be found reported in 291 Fed. 1003.

Thereafter the case went to an accounting and there was a consolidation, one party plaintiff being added and additional defendants being added, by way of supplemental bill, and thereafter, upon motion and hearing, the District Court dismissed the bill of complaint, because a disclaimer to [fol. 11] Claim 2 had not been promptly filed. This opinion was rendered by Judge Westenhaver and will be found at 13 Fed. 2nd 132. From this decision of Judge Westenhaver, the plaintiffs appealed and Judge Westenhaver was reversed and the opinion of reversal is found in 19 Fed. 2nd 66. Thereafter, by consent, an order was entered in behalf of the plaintiffs finally determining the case, the defendants settling in the liquid sum of over $23,000.00, as appears by this final decree. A copy of this final decree is annexed hereto and made a part hereof, as Exhibit 1, and I make a copy of the patent in suit Exhibit 2.

The final decision of the Court of Appeals for the Sixth Circuit was rendered May 9th, 1927, and the final decree was entered November 1st, 1928.

I farther depose and say that since the plaintiffs have been in business, they have commercially exploited the invention of the patent in suit by making caps of the form and kind shown in said Letters Patent, Exhibit 2, and which cap is carrying a tag bearing the legend "Patented August 12, 1919," and also the trade mark "Ace" under which the cap is sold, and the plaintiffs have built up an extensive business, manufacturing and selling being done by the Lion Knitting Mills Company, a corporation owned and controlled by me for the purpose of exploiting my inventions of various kinds including the invention of the patent in suit. A sample cap and label of plaintiffs' manufacture I identify as Exhibit 3. This cap is made by making a swatch of the [fol. 12] type and character shown in Exhibit 4. From this swatch the cap is made as directed in the patent in suit.

I further depose and say that the plaintiffs have built up a substantial business based on the invention of this patent, have advertised extensively, and that the article has met with great success and is very popular with the trade.

I further depose and say that certain infringements have arisen and one of these is by the defendant hereto, who has made and sold caps of the exact type and character shown and described in the Letters Patent in suit and exemplified in Exhibit 3.

This manufacturing and these sales were made before and subsequent to April of this year. I identify one cap so made and sold as Exhibit 5. I also identify an advertisement of the defendant as Exhibit 6, which is an advertisement inserted by the defendant in a publication known as Earnshaw, and which was inserted during the current year. Exhibit 6 is a photostat of the original advertisement.

I further depose and say that now that this patent has been sustained by the highest court of the Sixth Circuit, after protracted litigation, and substantial recovery of over $23,000.00 has been had, I am proceeding to bring suit against all infringers based on this patent and on this suit and recovery, and I ask that I be given a temporary injunction forthwith, so that my rights may be amply protected in

the premises, and these infringements cease forthwith, and if this be not done, I will suffer irreparable damage from these infringements.

[fol. 13] I further depose and say that my Company, The Lion Knitting Mills Company, my co-plaintiff in this action, will also suffer irreparably if this injunction be not granted.

PLAINTIFFS' EXHIBIT 1 TO AFFIDAVIT OF L. H. ENSTEN

Filed Nov. 1, 1928. B. C. Miller, Clerk U. S. District Court, N. D. O.

UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF OHIO, EASTERN DIVISION

Equity. No. 573

LOUIS H. ENSTEN and THE LION KNITTING MILLS COMPANY, a Corporation, Plaintiffs,

vs.

THE RICH-SAMPLINER COMPANY, a Corporation; THE RICH-Sampliner Knitting Mills Company, a Corporation, and The Rose Knit Goods Company, a Corporation, Defendants

Final Decree

This cause came on to be heard at the October Term of this Court upon the amended Bill of Complaint filed in this [fol. 14] Court on January 11, 1926, and accepted as such amended Bill by Order filed July —, 1927, and upon a motion of Harold Elno Smith, Esq., plaintiffs' solicitor, and upon reading the annexed Consent of the defendants, it is, pursuant to such consent, ordered, adjudged and decreed:

1. That the Lion Knitting Mills Company, Plaintiff, is exclusive licensee of Louis H. Ensten under United States Letters Patent No. 1,313,080 and that the Defendants, by infringing upon said Letters Patent, have infringed upon the exclusive rights of said The Lion Knitting Mills Company thereunder.

2. That the Lion Knitting Mills Company, Plaintiff, is entitled to have and is hereby awarded all the rights and privileges of a party plaintiff in, to, and under the interlocutory decree filed herein on May 24, 1922, the same as though it had been named therein as a party plaintiff, and said interlocutory decree is hereby made final in behalf of the plaintiff The Lion Knitting Mills Company as well as of the plaintiff Louis H. Ensten.

3. That the plaintiffs do recover of the defendants, all the profits, gains, and benefits which the defendants have derived, received, or made since the 12th day of August, 1919, by reason of their infringement of such first, third, fourth and fifth claims of said Letters Patent, and that the plaintiffs do recover of the said defendants all damages which they have suffered and sustained since that date, as [fol. 15] well as the damages of The Lion Knitting Mills Company, plaintiff, as also the damages of Louis H. Ensten, plaintiff.

4. And whereas the parties hereto have agreed that the profits and damages occasioned by the joint and several acts of these defendants, both as against Louis H. Ensten, plaintiff and against The Lion Knitting Mills Company, plaintiff, shall be esteemed equivalent to the sum of Twenty-three Thousand Dollars ($23,000.00), and that upon such payment, and a notation thereof on the records of this Court, all claims against the said defendants both jointly and severally, by reason of any and all infringements by them or either of them of the said Letters Patent No. 1,313,080 prior to the date hereof, shall be satisfied and discharged.

5. It is further ordered, and decreed that in view of the agreement of the parties on the sum to cover damages and profits, the reference to Hon. C. D. Friebolin as Master, is hereby vacated, and said Master is hereby discharged and relieved of any further consideration of this case.

6. It is further ordered, adjusted and decreed that whereas the value of the damages and profits hereinbefore stated is based upon the agreement that each party shall pay its own costs, no costs shall be taxed.

7. It having heretofore been noted upon the records of this Court that the said damages and profits have actually

PLAINTIFF'S EXHIBIT NO. 18 TO AFFIDAVIT OF L.H.ENSTEN

L. H. ENSTEN.

KNITTED CAP.

APPLICATION FILED APR. 30, 1919.

1,313,080.

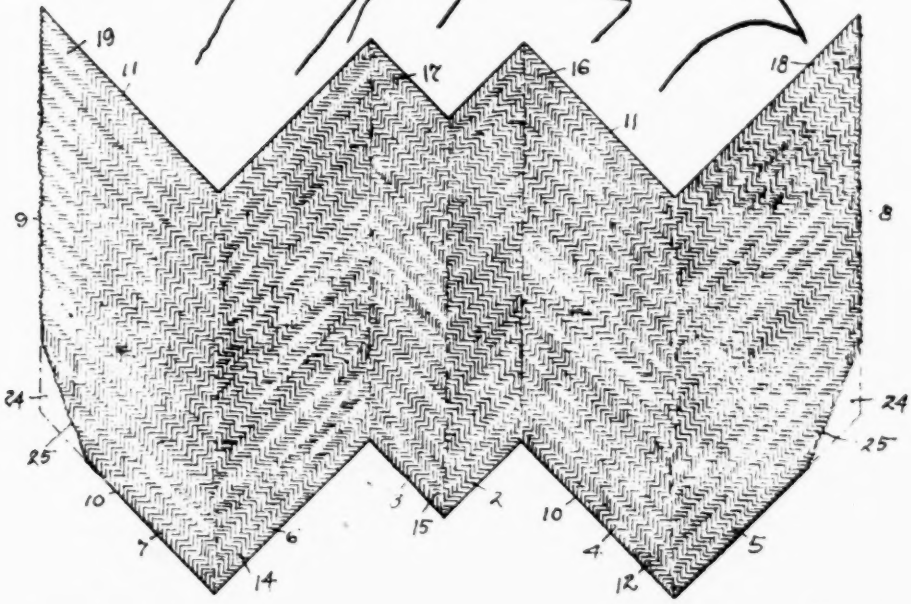
Patented Aug. 12, 1919.

2 SHEETS- SHEET 1

FIG. 1



FIG. 2



Inventor
Louis H. Ensten

Witness
Geo B. Kueser.

By Fraser & Kueser

Attorney

19

L. H. ENSTEN.

KNITTED CAP.

APPLICATION FILED APR. 30, 1919.

1,313,080.

Patented Aug. 12, 1919.

2 SHEETS—SHEET 2.

FIG. 3

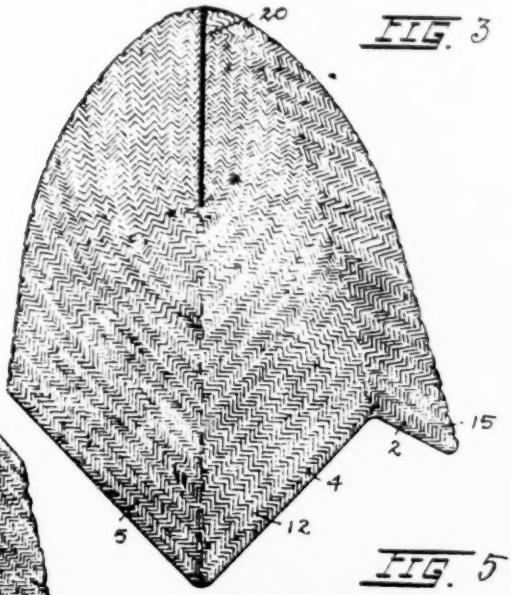


FIG. 4

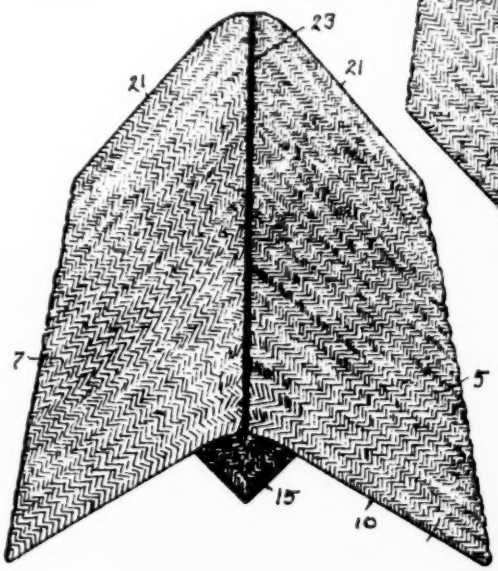
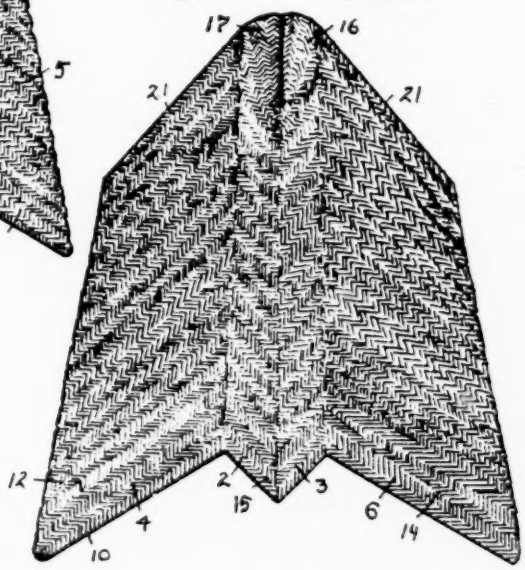


FIG. 5



Inventor

Louis H Ensten

Witness

Geo. E. Kricker.

By Fuller & Hubbard

Attorneys

[fol. 16] been paid by the defendants to the plaintiffs, and payment of the costs effected by the respective parties, this decree is made final.

The parties hereto by their solicitors, consent, stipulate and agree to the foregoing decree and all the parts and provisions thereof.

Harold Elno Smith, Solicitor for Plaintiffs.

Cleveland, Ohio, October 31, 1928.

Albert Lynn Lawrence, Solicitor for Defendants.

Cleveland, Ohio, October 31, 1928.

Plaintiffs hereby confess and acknowledge the receipt of the sum of Twenty-three Thousand Dollars ($23,000.00) from the defendants in full compliance with and satisfaction of the above decree.

L. H. Ensten, The Lion Knitting Mills Company, by L. H. Ensten, Secretary.

Cleveland, Ohio, October —, 1928.

[fol. 17] I, C. D. Friebolin, hereby acknowledge the receipt from the plaintiffs of all my fees and charges and expenses as such Special Master heretofore incurred in connnection with the above litigation.

C. D. Friebolin.

Cleveland, Ohio, October —, 1928.

I, B. C. Miller, Clerk, hereby certify that I have on hand sufficient money on deposit in behalf of the plaintiffs and on behalf of the defendants to satisfy all costs of the respective parties.

B. C. Miller, Clerk. Leonard C. Meon, Deputy Clerk.

Cleveland, Ohio, October —, 1928.

This decree signed and filed at Cleveland, Ohio, at a stated term of the above Court this 1st day of November, 1928.

Paul Jones, U. S. District Judge.

(Here follow drawings, side folios 18 and 19)

PLAINTIFF'S EXHIBIT NO. 2 TO AFFIDAVIT OF L. H. ENSTEN

[fol. 20] United States Patent Office

Louis H. Ensten, of Cleveland, Ohio

Knitted Cap

Specification of Letters Patent

1,313,080. Patented Aug. 12, 1919

Application filed April 30, 1919. Serial No. 293,660

To all whom it may concern:

Be it known that I, Louis H. Ensten, citizen of the United States, residing at Cleveland, in the county of Cuyahoga and State of Ohio, have invented certain new and useful improvements in Knitted Caps, of which the following is a specification.

This invention pertains to knitted caps, and the object of the invention is to provide a knitted cap which will fit the head snugly and cover the ears and back of the neck and conform at its edge all around the cap to the exact contour of the neck, jaws and forehead of the wearer, and to hold its shape under elastic tension especially at the hollow places beneath the ear and behind the pivot bones of the jaw.

My idea also involves the making of a cap of the kind described by knitting a strip of goods in a flat form and with continuous selvages which have short sharp turns or angles varying in length at intervals to provide triangular portions of different size in the goods at each side or selvage, whereby one selvage may be folded to bring the edges together so that they may be sewed to form an ovate end for the cap, while the selvage on the other side of the goods will form an irregular scalloped edge adapted to conform to the neck and jaws and brow of the wearer in the manner and with the effect substantially as described.

In the drawings accompanying this application, Figure 1 is a perspective view of my improved knitted cap as it appears on the head. Fig. 2 is a view of a flat side of the piece of knitted goods having the shape and outline and the length required to produce my improved cap. Fig. 3 is a side view

of my improved cap as it apears when completed and folded flat. Fig. 4 is a rear view and Fig. 5 is a front view of the cap as it appears when folded flat, the heavy black lines denoting the sewed seams.

In knitting machine operations where a piece of goods is knitted in a flat form, it is a common practice to knit the rows in a zig-zag fashion so that the rows in successive areas of the strip are diagonally related with the selvage at each side running parallel to the rows and forming triangular areas in each side edge. This form of strip then is not broadly new, but in order to produce a cap such as I desire I form or produce triangular edge areas of different size successively in the strip and obtain this result by knitting broad and narrow rows successively. Thus, referring to Fig. 2 I show a flat knitted strip in which the two central rows 2 and 3, respectively, are relatively much smaller or narrower than the two rows 4 and 5 at the right hand side and the two rows 6 and 7 at the left hand side of the strip. The narrow rows form a central division in the strip in which the rows of knitting 2 are diagonally related to the rows of knitting 3, and the rows of knitting continue into the next and wider sections 4 and 6 without break or interruption, but diagonally in respect to the rows of knitting in sections 2 and 3. So also are the rows 5 and 7 diagonally related to the rows of knitting 4 and 6, respectively, and the end edges 8 and 9 of the strip are cut straight across the strip on the transverse line which represents the meeting line of other diagonal rows of knitting made in forming a long continuous strip of a multiple number of such pieces.

The opposite edges 10 and 11 of the knitted strip are selvages and cannot unravel, and the edge 10 borders two large triangular knitted areas 12 and 14, together with a much smaller triangular area 15 at an intermediate point. The edge 11 while also angular zigzags parallel to the opposite edge 10, but the triangular areas produced in opposite sides of the strip differ. Thus, two large and one small triangular areas are formed in edge 10, and two small triangular areas 16 and 17 are produced mid-length of the edge 11 together with semi-triangular areas 18 and 19 at the ends of the strip. This difference in formation at the opposite edges of the strip is of especial advantage and utility

in forming a cap of the shape desired and having characteristics which permit the knitted goods to stretch on the lines best adapted to make the cap conform to the head and to hold its shape and fit snug, especially at its bottom edge 10 in the triangular areas 5 and 6.

Thus referring to Figs. 3 to 5, inclusive, it should be noted that the selvage 11 is sewed together and makes a seam which will not unravel; that the selvage involved on the diagonally related lines between the apex or points of the two triangular areas 16 and 17, respectively, are relatively short and when sewed together are inconspicuous where appearing at the front side of the cap directly above the small triangular peak or area 15, see Fig. 5; that the selvage 11 [fol. 21] involved in the angularly-related lines between the outer ends of the strip and the points or tips of the triangular areas 16 and 17 may be sewed together to form a seam which will extend across the top of the cap and down at each side thereof for a short distance as indicated by the heavy black line 20 in Fig. 3, and in sewing this seam the line of union is on a substantially straight line as indicated by the numeral 21, Figs. 4 and 5, and which lines 21 correspond to the straight lines of selvage 11 between the areas 16, 17, 18 and 19.

The transverse end edges 8 and 9 of the knitted strip are also sewed together, thereby providing a vertical seam 23 which is located on a middle line at the rear side of the cap, see Fig. 4, and in order that the tips of the triangular areas 5 and 7 of the cap shall draw or tend to press inward when the cap is stretched over the head, I cut away or sever a triangular portion 24 from the strip at the point where the selvage 10 meets the end edges 8 and 9, respectively. The vertical seam 23 includes the oblique cut edges 25 so that in sewing the end edges together the rows of knitting 5 and 7 in the bottom portion of the cap are drawn and placed under tension to a considerable degree in the making of the cap and which tension is maintained and made manifest when the cap is placed on the head. Thus, the cap may be used frequently and a snug fit assured at the tips of the triangular areas 12 and 14, that is, the tension in the goods is sufficient to pull the tips inward beneath the ears and in the hollow behind the pivot bones of the jaw and not depend loosely and with unsightly effect. Also, the cap may be

turned up at its bottom edge and the triangular flaps will still fit tightly and snugly on the outer sides of the cap and conform to the head. That is, the goods will be flat and fit comfortably with only two thicknesses and not assume the shape of a bulky round roll, nor have an unsightly appearance.

What I claim is:

1. A knitted cap having triangular areas projecting downwardly at each side thereof and possessing an inherent tension adapted to provide a hugging fit at their tips when the cap is worn upon the head.

2. A knitted cap, comprising diagonally-related rows of knitting forming a depending triangular area at each side of the cap adapted to cover the ears when the cap is worn upon the head.

3. A knitted cap, comprising diagonally-related rows of knitting sub-divided into sections of different width forming a relatively small peak centrally at the front of the cap and relatively larger triangular areas and depending portions at each side of the cap.

4. A knitted cap, comprising diagonally-related rows of knitting at successive intervals, forming a pair of large triangular areas at one border edge of the cap, and providing a plural number of irregular angular areas at its opposite border edge, the edges of the irregular angular areas being sewed together and forming seams at the top of the cap.

5. A knitted cap, comprising a flat strip of knitted goods formed with selvages of angular formation, the transverse end edges of the strip and the adjacent angular edges of one of the selvages being sewed together to form the top of the cap, and the other selvage forming a centrally located front peak and a pair of relatively large triangular ear laps.

6. A knitted cap, comprising a flat strip of knitted material having selvages of angular form at each side; the end edges of the strip being cut on oblique lines transversely of the strip and sewed together; the adjacent angular portions of one selvage being sewed together to form a cap of ovate shape at one end; and the opposite selvage having a small

front peak for the cap and triangular ear laps at each side of the cap.

Signed at Cleveland, in the county of Cuyahoga, and State of Ohio, this 17th day of April, 1919.

Louis H. Ensten.

(Here follows advertisement, side folio 22)

[fol. 23] IN UNITED STATES DISTRICT COURT

AFFIDAVIT OF EDWIN A. HARRIS—Verified November 19, 1929

Edwin A. Harris, being first duly sworn, deposes and says:

I am of legal age. I reside at 314 W. 82nd St., in the City of New York and State of New York.

I am Treasurer of Simon Ascher & Co., Inc., defendant in the above entitled action.

I have read the bill of complaint, the affidavit of Louis H. Ensten attached thereto and the order to show cause.

I have been advised by counsel and on information and belief state that suit was brought on the patent here in suit in the Northern District of Ohio, Eastern Division by the patentee against Rich-Sampliner et al., and an interlocutory decree entered on May 24, 1922, holding claims 1, 3, 4 and 5 valid and infringed and claim 2 is invalid. The opinion of the District Court in this case (Equity No. 573) so far as I know was not reported in the Federal Reporter.

Appeal was taken by defendant from that portion of the decree of the District Court holding claims 1, 3, 4 and 5 valid and infringed, but no appeal was taken by plaintiff, one of the plaintiffs herein, from that portion of the decree holding claim 2 invalid. It is true as stated by Mr. Ensten in his affidavit attached to the bill of complaint herein that the Circuit Court of Appeals for the Sixth Circuit did not pass upon the validity of claim 2; but I am advised that it was because no appeal was taken as to claim 2, although plaintiff had a right to such appeal.

[fol. 24] On appeal on June 30, 1923, the Circuit Court of Appeals for the Sixth Circuit in Rich-Sampliner Co., et

PLAINTIFF'S EXHIBIT NO. 6 TO AFFIDAVIT OF L.H.ENSTEN

1879 • GOLDEN ANNIVERSARY FEATURES • 1929



THE "FISTO" CAP...

The sensation of Europe, produced in America by Ascher. It is one of the biggest hits in the GOLDEN ANNIVERSARY LINE! ..... Made—as is all Ascher merchandise—in our own mill in New York.

SIMON ASCHER & CO., INC.
SALESROOMS (NEW ADDRESS)
1 EAST 35th STREET, NEW YORK

WRITING SAY: I SAW IT IN EARNSHAW PUBLICATIONS

al. vs. Ensten, 291 Fed. 1003, sustained the District Court as to the validity and infringement of claims 1, 3, 4 and 5.

After the appeal on the interlocutory decree of the District Court to the Circuit Court of Appeals had been perfected, the plaintiff Ensten made application to the District Cort to be allowed to make the Lion Knitting Mills Company, its alleged licensee, party plaintiff. This application was denied.

Subsequently, another suit was filed against Rich-Sampliner Co., et al., by Ensten to the use of the Lion Knitting Mills Company, this suit being filed because the Master to whom the first suit had been referred for an accounting rejected proof of damages or loss of profits suffered by the Lion Knitting Mills Company, Ensten's alleged licensee, and because the District Court refused to permit the Lion Knitting Mills Company to be joined as a party plaintiff.

The opinion of the Court is reported in 13 Fed. (2d) 132.

In this suit the District Court found that a disclaimer of the subject matter of claim 2 which had been previously held invalid by the same District Court was not filed until April 30, 1924, two years after the entry of the decree of the District Court holding the claim invalid. According to the holding of Judge Westenhaver in this suit, plaintiff during these two years was insisting on his patent as entirety. He was having its date and number stamped on all products made in conformity to its disclosure, notifying [fol. 25] the general public of the extent of the patent and claiming by inference at least protection of all its claims. In two instances only did it appear that the attention of alleged infringers was called by him to the finding that claim 2 was invalid. This delay under the circumstances Judge Westenhaver held was unreasonable and held that the disclaimer statute not having been complied with the suit could not be maintained. The District Court, therefore, dismissed the suit.

Appeal was taken from this decree of the District Court to the Circuit Court of Appeals for the Sixth Circuit and the opinion is reported in 19 Fed. (2d) 66.

The Circuit Court of Appeals held that the new bill in which the licensee was joined as a party plaintiff was not an independent bill as it had been treated by the District

Court, because the Lion Knitting Mills Company was a proper party-plaintiff in the first suit, and to allow this joining in the second suit was only to correct a defect in the first. The Circuit Court of Appeals held that the proper status of the second bill was that of an amended bill, and that the fact of the failure to file a disclaimer within a reasonable time became a moot question. The Circuit Court of Appeals, therefore, did not pass upon the holding of the District Court that the failure to file a disclaimer within a reasonable time prevented the bringing of a subsequent suit upon the patent, but merely stated that it was unnecessary to decide this since it treated the second suit as an amended bill.

[fol. 26] In January of 1929, the caps complained of were first put on the market and advertised and became part of the regular line of goods of defendant.

At the time this complained of cap was first made and offered for sale by defendant, defendant had no knowledge of the patent in suit and the cap was a copy of a cap which had been brought into this country from Austria by the mother of Mr. George Brandenstein, who is in charge of the hand-made department of defendant.

Defendant received notice on June 1, 1929, signed by one Harold Elno Smith, that it was infringing the Ensten patent No. 1,313,080, the patent in suit, and inviting its attention to the fact that claims 1, 3, 4 and 5 of the patent, which contains six claims, had been held valid and infringed by the Circuit Court of Appeals of the Sixth Circuit, and that the opinion of this court was reported in 291 Fed. 1003, but this letter did not state that claim 2 of the patent had been held invalid by the District Court, that no appeal had been taken on claim 2 or that a disclaimer had not been filed until two years after the decree of the District Court holding this claim 2 invalid. A copy of this notice is attached to this affidavit as Defendant's Exhibit 1.

[fol. 27] DEFENDANT'S EXHIBIT NO. 1 TO AFFIDAVIT OF EDWIN A. HARRIS

Smith and Freeman, 1310 Hanna Building, Cleveland, Ohio

June 1, 1929.

Simon Ascher, 2443 Third Ave., New York City.

DEAR SIR: In behalf of our clients The Lion Knitting Mills Company and Louis H. Ensten, Cleveland, Ohio, we beg to draw your attention to the Ensten patent No. 1,313,080 and request that you would immediately desist from manufacturing and selling any caps which infringe the same, and further account to our clients for such profits as you and your customers have made therefrom in the past.

Your attention is invited to the fact that claims 1, 3, 4 and 5 of this patent were held valid and infringed by the Circuit Court of Appeals of the Sixth Circuit, C. C. A. 291 Fed. 1003, wherein a final decree has been entered only within the last few weeks.

We shall be pleased to be apprised of your intention in this regard.

Very respectfully, (Sgd.) Harold Elno Smith.

[fol. 28] IN UNITED STATES DISTRICT COURT

AFFIDAVIT OF ABRAHAM NITZBERG—Verified November 19, 1929

Abraham Nitzberg, being first duly sworn, deposes and says:

I am of legal age and reside at 2665 Grand Concourse, in the City of New York and State of New York.

I am a graduate of the City College of New York, having obtained a Bachelor of Arts degree in 1909.

I am factory manager for Simon Ascher & Company, Inc., and have been in the knit goods business for twenty-five years. I am thoroughly familiar with all the various methods of knitting apparel.

I have studied the Ensten patent No. 1,313,080 and am familiar with the construction of the cap and the method of knitting set forth in that patent.

The cap disclosed in the Ensten patent fits snugly over the head, has a peak extending downwardly over the forehead between the eyes and two substantially triangular portions which cover the ears. The whole cap is made up of diagonally related rows of knitting, the rows being of different widths. Two relatively narrow rows of knitting extend diagonally in opposite directions forming the front and peak of the cap, and two relatively wider rows of oppositely disposed diagonal knitting form each side of the cap and form the depending triangular portions which cover the ears. As this knitted piece is formed the edges are brought together and joined by stitching at the back, and the upper [fol. 29] edges of the rows of knitting which form the sides of the cap are brought together in a transverse line which will extend over the head and are stitched together. Thus, the cap is formed.

In the piece the corners are cut off as shown in the drawing at 24, so that when the back seam is formed the lower portion of the cap at the back is drawn in to fit the head.

I have examined the magazine "Sweater News" for September, 1918, and identify the two sheets marked Defendant's Exhibit 2, as photostats of the cover and page 14 of this issue of the magazine. On this page 14 a speedmask is illustrated. This speedmask includes a cap portion and a bib portion. The cap portion covers the head including the forehead and ears and the bib portion, the jaw, the neck and chest.

Basing my opinion upon my experience in the knit goods business, this picture shows that the front portion of the cap is made up of two areas which I have defined by red lines on the print marked Defendant's Exhibit 3 and attached hereto, and which areas I designate by the reference characters A and B. The knitting in area A extends in a diagonal direction opposite to the direction of the knitting in area B. Each side and one-half of the back is made up of two areas relatively wider than the areas A and B, which wider areas I designate by the reference characters C and D. The area C is made up of knitting in which the rows extend diagonally in a direction opposite to the direction

of the rows in area A. Area D is made up of diagonal rows [fol. 30] of knitting which extend in a direction opposite in respect of the direction of the rows in area C. Thus when the piece is knitted and before it is sewed up into a cap the lower edge has a point E which is in the form of a triangle and has two relatively larger points, one of which I mark F on the print, and the other of which is on the opposite side of the head. As these rows of knitting in each area are parallel the top of area A and the top of area B each are in the form of a point forming substantially a triangle, and the top edge of area C on each side is parallel with the corresponding edge at the bottom of the cap and the top edge of area D on each side is parallel with the corresponding edge at the bottom. Thus, the form of this piece before it is sewed together in the cap is the same as the form shown in Figure 5 of the Ensten patent in suit.

While the illustration in the "Sweater News" does not show the seam where the piece is formed into a cap, because it is knitted as I have described one seam must extend transversely across the cap and the other down the back just as is illustrated in Figures 3 and 5 of the Ensten patent.

It will be noted in the "Sweater News" advertisement that there is an area which I mark G in blue, which area is substantially triangular in form. This area is formed in this way: When the cap is sewed to the bib H the area D on each side is sewed to the upper edge of the bib with the rows of knitting parallel at M with the upper edge from the back of the head to the point F. In this condition the [fol. 31] rows of knitting in each of the areas C extend in a straight line from the point F to the point I where the area C joins the area A. To cover the cheek bones the edge of each area C is drawn forward by a pull applied to a central point at K until it reaches and is stitched to the bib at the point L. That this is the method of forming is shown by the fact that in the triangular area G the rows of knitting are stretched out.

Thus when the cap is formed it has a triangular area covering the forehead and triangular areas covering the ears. And because of the fact that the cap is of knitted form and particularly the areas C and D are of diagonal rows of knitting it possesses an inherent tension which will make it

hug the cheek, the ears and behind the ears, and the sides of the head of the wearer.

The attachment of the bib H does not deprive the cap portion of the mask of these functions, nor is it necessary to have the bib to assist the cap portion in performing these functions.

In the cap made and sold by Simon Ascher & Company, Inc., the seam is not down the back of the cap as in the Ensten patent but on the side over one of the ears, and the edges which are sewed together to form this seam are rectilinear. Thus, there is no cut-away portion corresponding to the portion 24 of the Ensten patent.

When this cap was first made by Simon Ascher & Company, Inc., it was made under my supervision and direction, and at that time I had not seen the Ensten patent and knew nothing of it whatsoever. The cap was made from a cap which had been presented to me by Mr. George Brandenstein [fol. 32] in charge of the hand-made department of Simon Ascher & Company, Inc., and who informed me that it had been brought over by his mother from Austria. I made a Chinese copy of this Austrian cap, and it is for that reason that the cap complained of in this suit is of its particular form.

(Here follows illustration from "Sweater News," side folio 33)

[fol. 34] IN UNITED STATES DISTRICT COURT

AFFIDAVIT OF L. H. ENSTEN—Verified November 25, 1929

Louis H. Ensten, being duly sworn, deposes and says, I am one of the plaintiffs in this case and have read the affidavit of Abraham Nitzburg, offered in behalf of the defense and verified the 19th day of November, 1929.

I notice that Mr. Nitzburg takes nearly all of the second page of his affidavit to refer to the cut-off portion 24 shown in Figure 2 of my patent in suit. It is customary for the plaintiffs to make such caps either with or without this cut-off portion. The matter is of minor importance from a manufacturing point of view and is in no way involved in the

DEFENDANT'S EXHIBIT NO.3 TO AFFIDAVIT OF ABRAHAM NITZBERG



Bradley
KNIT WEAR

SPEED MASK

THE Bradley *Speedmask* is knit close and thick of warm worsted yarn—it is long in front to protect the chest and long enough in back and at the sides to fit snugly and securely under coat or sweater. It is open just enough for clear vision and easy breathing—dipping low over the forehead, reaching down between the eyes and high on the cheeks for maximum protection.

The Bradley *Speedmask* is not only the ideal soldier's garment, but is the one best bet for winter sports,—aviating, riding, skiing, coasting, motoring, driving, skating and walking.

A special advertising campaign will tell the *Speedmask* story to millions

SAMPLES ON REQUEST

THE BRADLEY KNITTING CO.

DELAVAN, WIS.

patent in suit. Claim 6 which involves this feature has not been adjudicated.

I have examined the extracts of Sweater News of September, 1918. I am also familiar with the Speed Mask referred to in this advertisement, as it was one of the articles relied upon by the defendants in the Rich-Sampliner case, referred to in my earlier affidavit in this case. One of these Speed [fol. 35] Masks was in evidence and before the Court. The Court paid very little attention to it, although it considered it. In this Speed Mask there was a swatch but it was trimmed top and bottom and put together in a way different from my cap. The estimate sheet with the rough sketch and directions showing how to make this Speed Mask was before the Court as Defendant's Exhibit F. Exhibit E was also shown along with Exhibit F, and the two were reproduced on the same sheet of paper, and both of them related to head gear, one being intended for women and the other for men. Exhibit E showed what was called La Auto Hood.

The description which Mr. Nitzburg gives of the Speed Mask on pages 2, 3 and 4 in his affidavit is defective. He evidently did ont have a mask before him when he wrote up his description. What he had, evidently, was the rather crude advertising illustration to which he refers and which does not reveal the structure. I know, as a matter of fact, from a personal examination of the Speed Mask, that the principle swatch was trimmed top and bottom and the seam was at the side and came down over one ear. I cannot see that it has anything to do with my invention or in any way suggests the structure or subject matter of the claims of my patent. A full description of this Speed Mask is found at page 32 of the Circuit Court of Appeals record on Appeal #3776, referred to in my earlier affidavit. The description is given by Abram H. Lowe, a traveling salesman of the Bradley Knitting Co. of Delavan, Wis., who was called in [fol. 36] behalf of the defendants. His testimony as to this reads as follows:

"We later sold other head coverings using the zig-zag stitch, yes, sir; the Bradley Speed Mask so-called, marked Defendant's Exhibit D. I think this was first put into the line the spring of 1914, for delivery in the summer and fall of 1914. The company had these for sale up to and including the spring trip of 1920. We are still selling them, but

did not carry them on this fall's trip in 1920. The catalogue number is No. 1840.

"This neck piece of Exhibit D is made in two parts, front and back, and sewed together down the side and the lower knitted part of the cap, where the neck piece is attached, has been cut away from the original design. The lower portion has been cut away and is not shaped like the original cap as designed by Mr. Henry.

"This Exhibit D is seamed on both sides, but only part way down on the left. Exhibit C is apparently sewed all the way on the left side and part way on the right. Exhibit B is sewed all the way on the right side and partially on the left. In each of these cases apparently the back of the cap is integrally knitted.

"I couldn't say whether the top seam in Exhibit B is a selvage seam or a cut seam. I couldn't say whether the seam around the crown in Exhibit D is a selvage seam or a [fol. 37] cut seam. I couldn't say whether the seam at the crown in Exhibit C is a selvage seam or a cut seam.

"I think it is the custom of The Bradley Knitting Company to sew the caps by machinery. Upon inspection of Exhibits B and D I find the seams are machine made."

I further depose and say that I have consulted the opinion of Judge Westenhaver which appears in the printed record on Appeal No. 3776, to which I have already referred. From this, I quote:

"Nothing in the prior printed art describes this exact type of cap nor this mechanical process of producing one. Knitted caps, however, are old in the printed art, as well as in public use. The method of knitting the rows in a zigzag fashion so that the rows in successive areas are diagonally related to the selvage areas and to each other is, as stated in the patent, old and well-known practice. The novelty of plaintiff's invention resides in the different sizes of the several areas and the triangular edges thus produced and the manner of combining and bringing the same together. This specific form of construction is novel and in my opinion involved invention over the prior art.

"Of the prior patented art, defendants rely mainly on Ballentyne Canadian patent dated March 19, 1908; O'Shea United States Patent 1,255,559, dated February 5, 1918;

and Louis H. Ensten design patent 59,464, dated Septem-
[fol. 38] ber 23, 1919. Of the prior public uses, defendants mainly rely on the Canadian hockey cap previously made and sold by one of their predecessors in title and on what is known in the record as the Henry cap, and a ladies' auto hood and speed mask made and sold by the Bradley Knitting Company."

Following these quotations, the Court refers to certain alleged anticipations and particularly a cap known as the Henry cap which seems never to have gotten further than the experimental stage. I quote from the bottom of page 138 of the printed record:

"Henry's experimentation seems to have continued unaffected by this cap, and finally developed in the auto hood and the speed mask. These were described in printed catalogues, advertised, sold, and used beginning as early as 1913 and continuing through several succeeding years. They are not, however, any more nearly in point except as to the form of the knitting than is the O'Shea patent, and do not call for additional comment."

The Circuit Court of Appeals, when passing on the matter, the Court being composed of Judges Knappen, Denison and Donahue, passed on this prior use defense as follows:

"The Henry cap is undoubtedly the nearest approach to
[fol. 39] the cap in suit. It is not a part of the prior patent art and the district court properly held that the evidence of prior public use of the Henry cap was not sufficiently clear and definite to defeat the Ensten patent.

* * * * * *

"It is sufficient to say that the Henry cap not only fails to demonstrate its practical efficacy and utility in so far as the Ensten idea is concerned, but on the contrary, it is so constructed as to conceal any inherent qualities it may possibly possess in common with the Ensten cap. It follows that the doctrine announced in Buser v. Novelty Tufting Co., 151 Fed. 478, has no application to this case."

[fol. 40] IN UNITED STATES DISTRICT COURT

OPINION, CAFFEY, D. J.

I agree with Judge Westenhaver (Ensten v. Rich-Sampliner Co., 13 Fed. [2d] 132; reversed on another point, 19 Fed. [2d] 66) that, within the meaning of the disclaimer statute (35 U. S. C. A., sec. 71), the plaintiff has "unreasonably neglected or delayed to enter a disclaimer" of claim 2. At the least, the question is so doubtful that no injunction pendente lite should issue.

There is nothing in R. Hoe & Co. v. Goss Printing Press Co., 31 Fed. (2d) 565, to help plaintiff, because the facts are lacking here to which what was there held is applicable.

The sole contention to the contrary is based on the following: The plaintiff was free to refrain from exercising his right to appeal from the interlocutory decree by the Ohio District Court in 1922. He was entitled to avail himself of an appeal from the final decree in that cause as a means of reviewing the adjudication by the interlocutory decree of the invalidity of claim 2. He argues that, in consequence, his time for filing a disclaimer was extended until a reasonable time after such final decree or even further thereafter according to the schedule prescribed by the Hoe case for taking the other steps open to him.

The conclusion urged by plaintiff, however, does not follow. To sanction it would weaken, if not destroy, the mandatory requirement and would frustrate the purpose of the statute.

As I see the situation, when the interlocutory decree was rendered plaintiff was put into the position where he was compelled to choose between two courses: (1) he could ap- [fol. 41] peal from the interlocutory decree and thereby extend, until expiration of a reasonable time after decision by the highest court available of the question of invalidity involved in the interlocutory decree, the time within which to file a disclaimer in the patent office without endangering the balance of the claims or (2) he could forego his right to appeal from the interlocutory decree and stake his whole case for an extension of the date by which to renounce on procuring reversal of that decree when he later appealed from the final decree.

It is clear that if plaintiff had pursued the entire gamut of permissible appellate procedure, and thereby had procured a reversal of the adverse provision on claim 2 embodied in the interlocutory decree, he would have escaped the penalty attached to judicial determination in the interlocutory decree of the invalidity of the claim. But the plaintiff did not take that course. He did not appeal. He did not obtain a reversal. He abandoned the chance to get one by filing a disclaimer in 1924. He made no effort to benefit by the rights accorded him by the rule laid down in the Hoe case. The interlocutory decree still stands. With it thus in full force as to claim 2, his duty under the disclaimer statute must be measured by the fact that it remains in force.

What the argument of plaintiff comes to is to say that the mere existence of the right to postpone appealing from an interlocutory decree, coupled with the right to review it on appeal from the final decree, of necessity prolongs the [fol. 42] period for filing a disclaimer, so that time begins to run under the disclaimer statute only after final decree. Otherwise stated, the argument is that the period intervening between interlocutory and final decrees cuts no figure in estimating how long, after the first judicial condemnation of a claim, a patentee has to disclaim in order to preserve the remaining portions of the patent. To interpret the statute governing appeals to have the effect of modifying the disclaimer statute to this extent would go far beyond anything said in the Hoe case or in any other case called to my attention. It would create a loophole in the disclaimer statute which would permit speculation by a patentee after he had been judicially told that his monopoly would expire unless, within a reasonable time, he relinquished his invalid claim.

The delay in filing the disclaimer until nearly two years after the interlocutory decree, with the incidental insistance in the meanwhile on the validity of the claim, is fatal to the present suit. Motion denied.

Dated, December 9, 1929.

Francis G. Caffey, U. S. D. J.

[fol. 43] IN UNITED STATES DISTRICT COURT

FINAL DECREE

This cause came on to be heard at this term on plaintiffs' motion for a preliminary injunction, affidavits were filed on behalf of both parties and argument was had by counsel representing both parties; and thereupon, upon consideration thereof, it is

Ordered, Adjudged and Decreed as follows, viz:

1. That plaintiffs' motion for preliminary injunction be and hereby is dismissed on the ground that there is at least sufficient doubt that the plaintiff Ensten did not unreasonably neglect or delay to enter a disclaimer of claim 2 to defeat the issuance of an injunction pendente lite.

2. That the bill of complaint be and hereby is dismissed with costs to defendant on the ground that the plaintiff Ensten did unreasonably neglect or delay to enter a disclaimer as to claim 2.

Enter.

Francis G. Caffey, U. S. D. J.

Approved as to form: O. Ellery Edwards, Solicitor for Plaintiffs. Hoguet & Neary, Solicitors for Defendant.

December 10th, 1929.

[fol. 44] IN UNITED STATES DISTRICT COURT

PETITION FOR APPEAL AND ASSIGNMENT OF ERRORS

To the Honorable the District Judges of the United States in and for the Southern District of New York:

The above named plaintiffs, Louis H. Ensten and Lion Knitting Mills Company, conceiving themselves to be aggrieved by the final decree made and entered herein in this case on December 10th, 1929, wherein a motion for a preliminary injunction was denied, and the bill of complaint dismissed with costs, do hereby appeal to the United States

Circuit Court of Appeals, in and for the Second Circuit from such decree, for the reasons set forth in the assignment of errors forming a part hereof, and they pray that this, their petition for an appeal may be allowed and that a transcript of the record and proceedings upon which said decree was entered may be transmitted with this appeal to the said Circuit Court of Appeals.

The said plaintiffs transmit with the above petition for appeal, the following assignment of errors:

1. That the District Court erred in refusing to grant plaintiffs' motion for a preliminary injunction.

2. That the District Court erred in dismissing the bill of complaint with costs.

Louis H. Ensten and Lion Knitting Mills Company,
by O. Ellery Edwards, Their Solicitor.

[fol. 45] IN UNITED STATES DISTRICT COURT

ORDER ALLOWING APPEAL

It is ordered this 10th day of December, 1929, that the foregoing appeal be allowed, and shall become effective upon the filing of a bond or undertaking, duly aproved by this court, in the sum of $250.00.

Jno. C. Knox, U. S. D. J.

Bond approved and filed December 10th, 1929.

Citation, in usual form, showing service on Hoguet & Neary, omitted in printing.

[fol. 46] IN UNITED STATES DISTRICT COURT

STIPULATION AS TO CONTENTS OF RECORD

It is hereby stipulated by and between the respective parties hereto that the Record on Appeal herein shall be composed of the following papers, viz:

[fol. 47] 1. Verified Bill of Complaint.

2. Order to Show Cause dated November 9, 1929.

3. Affidavit of L. H. Ensten verified November 8, 1929.

Plaintiffs' Exhibit 1—Final Decree in action in Ohio Court in re: Ensten v. Rich-Sampliner Company.

Plaintiffs' Exhibit 2—Patent No. 1,313,080 issued to L. H. Ensten.

Plaintiffs' Exhibit 6—Sheet from the Earnshaw Publication.

4. Affidavit of Edwin A. Harris, verified Nov. 19, 1929.

Defendant's Exhibit 1—Letter from H. E. Smith to defendant dated June 1, 1929.

5. Affidavit of A. Nitzberg verified November 19, 1929.

Defendant's Exhibit 3—Diagram on photostat of page 14, Sweater News, Sept., 1918.

6. Affidavit of L. H. Ensten verified Nov. 25, 1929.

7. Opinion of Judge Caffey dated December 9, 1929.

8. Final Decree dated December 10, 1929.

[fol. 48] 9. Petition, Assignment of Errors, and Citation.

10. This stipulation.

11. Clerk's Certificate.

O. Ellery Edwards, Solicitor for Plaintiffs-Appellants. Hoguet & Neary, Solicitors for Defendant-Appellee.

Dated N. Y., December 12th, 1929.

So ordered. Jno. C. Knox, U. S. D. J.

[fol. 49] In United States District Court

[Title omitted]

Stipulation re Record

It is hereby stipulated and agreed, that the foregoing is a true transcript of the record of the said District Court in the above-entitled matter as agreed on by the parties.

Dated January —, 1930.

O. Ellery Edwards, Solicitor for Appellants. Hoguet & Neary, Solicitors for Appellee.

[fol. 50] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 51] In United States Circuit Court of Appeals for the Second Circuit

Louis H. Ensten and Lion Knitting Mills Company, Appellants,

vs.

Simon Ascher & Co., Inc., Appellee

Before Swan, Augustus N. Hand, and Chase, Circuit Judges

Appeal from the District Court of the United States for the Southern District of New York

Bill of complaint charging infringement of letters patent No. 1,313,080, to Ensten, filed by the patentee and his exclusive licensee, against Simon Ascher & Co. Upon plaintiff's motion for a preliminary injunction, the injunction was denied and the bill was dismissed. The plaintiffs have appealed. Affirmed.

The district court entered its decree on the ground that the patentee had unreasonably delayed the filing of a disclaimer as to claim 2 of the patent in suit, which claim had been held invalid by an interlocutory decree in a prior infringement suit against a different defendant. That suit was brought by Ensten in the district court for the Northern District of Ohio. In May, 1922, an interlocutory decree was [fol. 52] entered therein holding certain claims of the patent valid and infringed, and claim 2 invalid. On appeal by defendants that decree was affirmed. Rich-Sampliner Co. v. Ensten, 291 F. 1003 (C. C. A. 6). However, the invalidity of claim 2 was not there passed upon, as Ensten had not appealed. The mandate was filed October 18, 1923, and thereafter on April 30, 1924, Ensten disclaimed as to claim 2. Not until November 1, 1928, after damages were agreed upon, was the final decree entered therein. Because of the foregoing facts, which disclose that no disclaimer was filed until approximately two years after entry of the interlocutory decree declaring claim 2 invalid, the court below held that

the whole patent was rendered void by reason of sections 4917 and 4922 of the Revised Statutes (35 U S C A secs. 65, 71).

O. Ellery Edwards for Appellants.

Hoguet & Neary (Daniel L. Morris, of Counsel) for appellee.

OPINION

Per CURIAM:

The question is whether a patentee, to save the life of his patent, when one claim thereof has been held invalid by an interlocutory decree, must either appeal from such decree, or promptly file a disclaimer. With respect to this very patent, Judge Westenhaver held that he must. Ensten v. Rich-Sampliner Co., 13 F. (2d) 132; but this was reversed on another point, and the disclaimer question called moot, in 19 F. (2d) 66 (C. C. A. 6). In the case at bar, the court below followed the reasoning of Judge Westenhaver.

The appellants contend that election between the alter- [fol. 53] natives of appeal or disclaimer should not be required until entry of a final decree. They argue that an interlocutory decree does not finally determine the invalidity of a claim because the correctness of such interlocutory ruling may be questioned upon an appeal from the final decree; that to require a patentee to elect between appealing and disclaiming when only an interlocutory decree has been entered, allows him the privilege of testing the interlocutory ruling upon appeal from the final decree only at the risk of losing his entire patent, if he fails to reverse the interlocutory order; and that the disclaimer statute should not be construed to have contemplated any such result. However persuasive these arguments might appear to the court as now constituted, we think we are foreclosed from considering them by the recent decision of Hoe v. Goss, 31 F. (2d) 565. There the plaintiff's bill was dismissed for non-infringement. On appeal this court reversed the decree, holding one claim of the patent good and several invalid. 30 F. (2d) 271. Our decree was interlocutory, and yet, on motion to recall and amend our mandate, we required the plaintiff either to petition for certiorari or to file a disclaimer within 30 days after expiration of the time for such a petition. The logic of that decision is equally applicable to an interlocutory decree of the district court. In fact, in such case it

operates with slightly less severity, for the patentee may appeal as of right from the district court, while the entertainment of his petition for certiorari is a matter of grace. Ad-
[fols. 54 & 55] herence to the Hoe case requires an affirmance of the decree below.

This decision appears to be in direct conflict with the principle upon which a decision of the Seventh Circuit has very recently been handed down. Excelsior Steel Furnace Co. v. F. Meyer & Brother Co., published in U. S. Daily for January 18, 1930. In that litigation the patentee's bill was dismissed by the district court. On appeal certain claims were held valid and others invalid, the opinion being rendered in May, 1917 (244 F. 172). Thereafter, the district court entered an interlocutory decree for injunction and accounting. During the accounting, in February 1922, the defendant asked for dismissal of the suit because no disclaimer had been filed. The motion was sustained by the district court. This action the Circuit Court of Appeals has reversed, holding that the delay was not unreasonable since the prior decision was merely interlocutory and the plaintiff could reasonably delay the filing of its disclaimer until after the final decree. In view of this diversity of views between two circuit courts of appeals, it would seem probable that the appellants can secure a certiorari, if so disposed, and thus enable this important question of the law of patents to be authoritatively determined. Decree affirmed.

[fol. 56] In United States Circuit Court of Appeals, Second Circuit

Louis H. Ensten and Lion Knitting Mills Company, Plaintiffs-Appellants,

v.

Simon Ascher & Co., Inc., Defendant-Appellee

Appeal from the District Court of the United States for the Southern District of New York

Decree—Filed Feb. 4, 1930

This cause came on to be heard on the transcript of record from the District Court of the United States for the Southern District of New York and was argued by counsel.

On consideration whereof, it is now hereby ordered, adjudged, and decreed that the decree of said District Court be, and it hereby is, affirmed, with costs.

It is further ordered that a Mandate issue to the said District Court in accordance with this decree.

Wm. Parkin, Clerk.

[File endorsement omitted.]

[fol. 57] Clerk's certificate to foregoing transcript omttted in printing.

[fol. 58] SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed March 12, 1930

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Second Circuit is granted. And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

Endorsed on cover: File No. 34,781. U. S. Circuit Court of Appeals, Second Circuit. Term No. 650. Louis H. Ensten and Lion Knitting Mills Company, petitioners, vs. Simon Ascher & Company, Incorporated. Petition for writ of certiorari and exhibit thereto. Filed February 10, 1930. File No. 34,781.

FILE COPY

Feb 10 1930

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1929.

No. ~~650~~ 46

LOUIS H. ENSTEN AND LION KNITTING MILLS COMPANY, PETITIONERS,

vs.

SIMON ASCHER & COMPANY, INC.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT.

O. ELLERY EDWARDS,
Solicitor for Petitioners.

HAROLD ELNO SMITH,
Of Counsel.

(34,781)

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SUPREME COURT OF THE UNITED STATES.
OCTOBER TERM, 1929.

No. 650

LOUIS H. ENSTEN AND LION KNITTING MILLS COMPANY, PETITIONERS,
against
SIMON ASCHER & COMPANY, INC., RESPONDENT.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT.

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioners, Louis H. Ensten and Lion Knitting Mills Company, plaintiffs below, pray that a writ of certiorari be issued to the Circuit Court of Appeals for the Second Circuit to review the decision of said Court, rendered Monday, February 3, 1930, in the above-entitled case, which appears in the transcript of record filed herewith.

1. This is a suit brought under the patent laws, and particularly Section 48 of the Judicial Code, to recover for infringement of Letters Patent No. 1,313,080, dated August 12, 1919, for a knitted cap, and granted to Louis H. Ensten, patentee, and a petitioner herein,

the other petitioner being a licensee manufacturing and acting under an exclusive oral license. The suit is an ordinary patent suit for an injunction and an accounting and is based on claims 1, 3, 4, and 5 of the patent in suit. The defendant's device is identical with that of the plaintiffs and with that of the patent in suit, and so the issue of infringement does not arise. The validity of the patent, as to these claims, has been sustained in the Circuit Court of Appeals for the Sixth Circuit in the case of Rich-Sampliner Company *v.* Ensten, 291 Fed. 1003. However, in this first litigation, the District Court, Judge Westenhaver sitting in the Northern District of Ohio, by an interlocutory decree in May, 1922, held that claim 2 was invalid. This claim was never before the Circuit Court of Appeals for the Sixth Circuit, as the plaintiff took no appeal from the interlocutory decree of Judge Westenhaver. The mandate was filed October 18, 1923, and thereafter, on April 30, 1924, Ensten disclaimed claim 2 in the usual manner by entering a disclaimer in the Patent Office pursuant to Sections 973, 4917, and 4922 of the Revised Statutes, 28 U. S. Code, Section 821, and 35 U. S. Code, Sections 67 and 71 respectively.

2. A little later, Judge Westenhaver held, on motion, in the case of Ensten v. Rich-Sampliner Company, 13 Fed. (2d) 132, that this patent was void because the disclaimer was not filed within a reasonable time, as required by law, but this was reversed on another point and the disclaimer question called moot in 19 Fed. (2d) 66, when the matter came up on appeal. Thereafter the defendants settled the case by

paying $23,000 (Rec., p. 16, folio 48), and a final decree was entered accordingly November 1, 1928.

3. The suit at bar was brought November 9, 1929, in the United States District Court for the Southern District of New York, and a motion was made for a preliminary injunction. The District Court, Judge Caffey sitting, followed the reasoning of Judge Westenhaver and directed that the bill of complaint be dismissed with costs. An appeal was thereupon prosecuted to the Circuit Court of Appeals, and, in deciding, this Court held itself bound by its earlier decision in the case of Hoe *v.* Goss, 31 Fed. (2d) 565, and therefore unable to agree with the Circuit Court of Appeals for the Seventh Circuit, which held exactly to the contrary on December 17, 1929, in the case of Excelsior Steel Furnace *v.* F. Meyer & Brother Co., published in the *United States Daily* for January 18, 1930. A copy of this decision in the Excelsior case is printed in the appendix hereto and made a part hereof.

4. The ground for this petition is best set forth in the concluding language of the decision of the Circuit Court of Appeals in the case at bar, which reads as follows:

> "In view of this diversity of views between two circuit courts of appeals, it would seem probable that the appellants can secure a certiorari, if so disposed, and thus enable this important question of the law of patents to be authoritatively determined."

These petitioners act on this suggestion and pray, accordingly, as appears below.

WHEREFORE, because of the gravity and importance of the question involved, your petitioners respectfully pray that a writ of certiorari may be issued out of and under the seal of this Honorable Court, directed to the judges of the United States Circuit Court of Appeals for the Second Circuit, commanding that Court to certify and send to this Court for its review and determination, on a day certain to be named therein, a full and complete transcript of the record and all proceedings of said Circuit Court of Appeals in the case, lately pending therein, entitled on its docket No. 242, for the October term, 1929, Louis H. Ensten and Lion Knitting Mills Company, plaintiffs-appellants, *v.* Simon Ascher & Company, Inc., defendant-appellee, and that the said decision of the United States Circuit Court of Appeals for the Second Circuit may be reversed by this Honorable Court, and that your petitioners have all other relief requested therein, and that your petitioners may have such other and further relief as to this Court may seem meet and just, and

Your petitioners will ever pray.

LOUIS H. ENSTEN AND
LION KNITTING MILLS COMPANY,
Petitioners,
By O. ELLERY EDWARDS,
Solicitor for Petitioners.
HAROLD ELNO SMITH,
Of Counsel for Petitioners.

Dated New York, February 6th, 1930.

As a member of the bar of this Court, I hereby certify that I have examined the foregoing petition and in my judgment it is well founded and the cause is one in which the prayer of the petition may properly be granted by this Court.

O. ELLERY EDWARDS.

Dated New York, February 6th, 1930.

APPENDIX.

CIRCUIT COURT OF APPEALS, SEVENTH CIRCUIT.

EXCELSIOR STEEL FURNACE COMPANY

v.

F. MEYER & BROTHER COMPANY.

No. 4222.

Appeal from the District Court for the Southern District of Illinois.

Before Alschuler, Evans, and Page, Circuit Judges.

Opinion of the Court—Dec. 17, 1929.

EVANS, C. J.:

Appellant's suit was to secure protection for its patent No. 724,210 bearing date Mar. 31, 1903, covering "Improvements in Hot Air Pipe." The district court found the patent invalid and dismissed the bill. On appeal this court on Apr. 10, 1917 (244 Fed. 172), reversed the decree, sustained three claims of the patent, but agreed with the district court that two of the claims (1 and 2) were invalid.

Thereafter the district court entered an interlocutory decree enjoining appellee from infringing claims 3, 4 and 5 and ordered a reference to ascertain the plaintiff's damages. Upon the master's report, the court ordered the bill dismissed for want of equity.

The questions here presented are: (a) the effect of appellant's failure to file a disclaimer of claims 1 and

2 before the patent expired, (b) the amount of appellee's profits, (c) the amount of appellant's damages, (d) the proper disposition of costs and sums paid to the certified accountant appointed by the court upon appellant's motion. A further statement of the facts will appear under the appropriate headings.

UNREASONABLE DELAY CHARGED TO APPELLANT.

Disclaimer.—At the close of plaintiff's testimony before the master, appellee moved that appellant be denied all relief because of its failure to file a written disclaimer of the two claims (1 and 2) held invalid by this court. The master recommended the disallowance of all damages and costs, finding that "appellant has neglected and delayed for an unreasonable time to file a disclaimer after claims one and two had been held invalid."

The rehearing in this court on this previous appeal was denied May 17, 1917. The patent expired Mar. 31, 1920. Appellant closed its testimony before the master on Feb. 25, 1922. On the same day appellee made its request to the master to deny appellant all damages because of its failure to disclaim claims 1 and 2. Appellant then asked leave to file a disclaimer nunc pro tunc as of May 17, 1917. The request was denied. Thereupon appellant, on Mar. 17, 1922, almost two years after the patent had expired, filed a disclaimer. The master later reported the delay in filing the disclaimer was unreasonable. The court sustained the master.

The rights of the parties are determined by two sections of the statute. U. S. C. A. Title 35, Section 71 (R. S. 4922) and U. S. C. A. Title 35 Section 65 (R. S. 4917) read as follows:

> SECTION 65. Disclaimer.—Whenever, through inadvertence, accident, or mistake, and without

any fraudulent or deceptive intention, a patentee has claimed more than that of which he was the original or first inventor or discoverer, his patent shall be valid for all that part which is truly and justly his own, provided the same is a material, or substantial part of the thing patented; and any such patentee, his heirs or assigns, whether of the whole or any sectional interest therein, may, on payment of the fee required by law, make disclaimer of such parts of the thing patented as he shall not choose to claim or to hold by virtue of the patent or assignment, stating therein the exent of his interest in such patent. Such disclaimer shall be in writing, attested by one or more witnesses, and recorded in the Patent Office; and it shall thereafter be considered as part of the original specification to the extent of the interest possessed by the claimant and by those claiming under him after the record thereof. But no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing it.

SECTION 71. Suit for Infringement Where Specification Too Broad.—Whenever, through inadvertence, accident, or mistake, and without any willful default or intent to defraud or mislead the public, a patentee has in his specification claimed to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the original and first inventor or discoverer, every such patentee, his executors, administrators, and assigns, whether of the whole or any sectional interest in the patent, may maintain

> a suit at law or in equity, for the infringement of any part thereof, which was *bona fide* his own, if it is a material and substantial part of the thing patented, and definitely distinguishable from the parts claimed without right, notwithstanding the specifications may embrace more than that of which the patentee was the first inventor or discoverer. But in every such case in which a judgment or decree shall be rendered for the plaintiff no costs shall be recovered unless the proper disclaimer has been entered at the Patent Office before the commencement of the suit. But no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer.

The vital questions in view of these statutes are: (a) What is a reasonable time within which the owner of a patent must, when necessary, file a disclaimer? (b) What are the consequences of a failure to seasonably file such disclaimer?

CIRCUMSTANCES FAILS TO SHOW TIME EXCESSIVE.

(a) Appellee asserts, and the court sustained its contention, that all relief must be denied because appellant "unreasonably neglected or delayed to enter a disclaimer."

What is an unreasonable delay?

Appellee answers: "More than 90 days from the date of the denial of the petition for a rehearing, (May 17, 1917)" and to support its answer cites Liquid Carbonic Company *v.* Gilchrist Company, 253 Fed. 58; Herman *v.* Youngstown Manufacturing Company, 191 Fed. 587.

The Liquid Carbonic Company *v.* Gilchrist Company decision, by this court, is distinguishable in at least

two respects: (1) In that case the court of appeals definitely fixed the period within which the patentee was required to file a disclaimer. In the instant case the court of appeals in reversing the decree and ordering an injunction and an accounting, fixed no period within which a disclaimer was to be filed. There is an inference, at least, to be drawn from the direction of a decree in favor of the patentee, that up to this time, at least, there had been no such delay as would bar the granting of the usual relief.

(2) In the present suit the patentee resisted the contention that two of its claims were invalid because of prior public use. It did not, during the life of the patent, acquiesce in the judicially declared invalidity of these two items. In the Liquid Carbonic case there was no serious contention made that the first of two claims was valid. It was practically conceded that claim No. 1 was too broad and therefore invalid. Upon this situation, the court was amply justified in definitely fixing a short period of time within which the patentee was required to file its disclaimer. But in the instant suit the absence of acquiescence prevented the fixing of a period of time other than as that time was connected with the expiration of patentee's right to apply to the Supreme Court for a writ of certiorari so that this court's ruling might be reviewed.

We think that in no case could a court be justified in finding that a patentee unreasonably delayed the filing of a disclaimer until after the expiration of the statutory period within which he might further litigate the question of the validity of the contested claims. In the present suit appellant might have applied to the Supreme Court for a writ of certiorari to review that part of the decree which held his first two claims invalid within 90 days from May 17, 1917, when the

petition for rehearing in this court was denied. However, its right to seek such review was not lost by its failure to apply to the Supreme Court in the Summer of 1917. Appellant could, under the interlocutory decree, proceed with its hearing before the master and after final decree was entered, appeal to this court and later, apply to the Supreme Court, at which time it could attack that part of the decree which held its claims 1 and 2 invalid. Until then, the holder of a patent can not be said to have unreasonably neglected or delayed to enter a disclaimer.

ACCOUNTANT'S FEE IS CHARGED TO APPELLANT.

Damages and lost profits. Little need be said under this heading. The accounting disclosed appellee's profit to be $42,791.53 on all furnace pipes and fittings and a profit of $1,150.10 on the adjustable joints covered by the patent.

The master found that there was no confusion of profits on the wall pipes and other fittings and the profits on the adjustable joints. He also found that plaintiff had failed to show any damage because of its alleged reduction of prices occasioned by appellee's infringement of claims 3, 4, and 5. We are satisfied that the evidence supports these two findings and that the amount of appellant's recovery should be limited to $1,150.10 which sum represents the profits of appellee due to the infringement of the patented article.

Expert Accountant's Charges.—During the course of the accounting, appellant complained repeatedly of appellee's statements of profits. On several occasions applications were made to the court for an order compelling it to file amended or corrected reports. Appellee attempted to comply with these orders but never to the satisfaction of appellant. Appellant ultimately

applied to the court for, and obtained, an order appointing a certified public accountant to examine appellee's books and to make and state the account. The court also ordered that appellee pay the charges of said accountant for the services rendered but ordered further "that the defendant shall have the right to hereafter apply for the re-taxing of such charges upon a proper showing."

The accountant charged $13,230.30 for his services. His statement showed that appellee's last account was correct in all respects. The court therefore ordered the accountant's fees which had previously been advanced by appellee to be included in the decree against appellant.

No Error Was Here Committed.—Appellant made charges respecting appellee's account which were unjustifiable and untrue. It caused the court to appoint an outside accountant to make a fair, just and impartial report. The report completely vindicated appellee. It demonstrated the falsity of appellant's charges. The order of appointment expressly provided that the charges of the accountants should be first paid by appellee but reserved the right to retax the costs if the circumstances warranted it. The appellant availed itself of the order and should be bound by the conditions attached to its enforcement.

Costs.—The court taxed certain costs against the appellant. Included in this item was some $1,693 master's fees and expenses and another item of $85.

Appellee relies upon the statute (U. S. C. A., Title 35, section 71) which denies to a patentee the right to recover costs when he fails to file the necessary disclaimer before suit was begun. In view of this section, the holder of a patent cannot recover his costs if a necessary disclaimer is not filed before suit is begun. But does it follow that infringer shall recover

costs simply because of this statute? We think not. In a court of equity in case no statute regulates the matter, costs are within the court's discretion. Here appellee was the wrong-doer—the infringer of appellant's patent. Because the patentee claimed more than it was entitled to, the statute withholds costs from it. But it would be an unfair exercise of discretion to allow to the defendant, the infringer, the wrong-doer, the recovery of its costs. When the decree was entered, the master's fees evidently had not been paid. Appellee in good conscience pay half of the master's fees and expenses.

While the authorities are not unanimous (Novelty Glass Mfg. Co. *v.* Brookfield, 172 Fed. 221) the weight of opinion is in favor of the allowance of costs to the prevailing party on appeal notwithstanding this statute. Walker on Patents (Sixth Edition) Vol. 1, page 340; Excelsior Steel Furnace Co. *v.* Williamson Heater Co., 269 Fed. 614, 619; Kahn *v.* Starrels, 136 Fed. 597.

It follows that the decree must be, and is hereby, reversed with direction that one be entered which will offset appellant's $1,150.10 damages and interest against the award of $13,230.30 and interest in favor of appellee for the charges and expenses of the accountant and that such decree also direct that one-half the master's fees and expenses be paid by appellee.

Appellant shall recover its costs in this court.

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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1930.

No. 46.

LOUIS H. ENSTEN and LION KNITTING MILLS COMPANY,

Petitioners,

against

SIMON ASCHER & CO., INC.,

Respondent.

BRIEF ON BEHALF OF PETITIONERS.

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Supreme Court of the United States

OCTOBER TERM, 1930.

No. 46.

LOUIS H. ENSTEN and LION KNITTING MILLS COMPANY,
Petitioners,

AGAINST

SIMON ASCHER & CO., INC.,
Respondent.

Brief on Behalf of Petitioners.

Citations Below.

This case has been reported as follows:

Ensten et al. v. Simon Ascher & Co., Inc., 38 Fed. (2) 71.

Litigation on the patent, here in suit, has been reported as follows:

Rich-Sampliner Co. et al. v. Ensten, 291 Fed. 1003;

Ensten v. Rich-Sampliner Co. et al., 13 Fed. (2d) 132;

Ensten v. Rich-Sampliner Co. et al., 19 Fed. (2d) 66.

Jurisdiction.

Jurisdiction in this case to grant this petition rests upon the Act of February 13, 1925, Chap. 229, 43

Statutes 939, U. S. Code, Title 28, Sect. 347, and particularly paragraph *a* thereof.

Facts.

Before taking up the facts in detail, it is sufficient to say that one claim has been held invalid and four valid, and a disclaimer of the invalid claim has been filed. The trial court, in the case at bar, found that the disclaimer was filed too late and therefore the patent was invalid under the disclaimer statutes. This holding was followed by the Circuit Court of Appeals for the Second Circuit although a contrary view was taken by the Circuit Court of Appeals for the 7th Circuit in the case of *Excelsior Steel Furnace* v. *Meyer*, 36 Fed. (2d) 447. It is believed that both of these courts were passing on substantially moot questions, as we contend that whether a disclaimer is filed or not, the valid claims of a patent are valid just the same and the filing of a disclaimer has nothing to do with the validity of such claims. We also believe, in any event, the disclaimer at bar was filed in time.

It may be that this latter issue will determine the matter of costs.

The facts in this case will now be set forth in detail.

1. The patent in suit is No. 1,313,080 and is dated August 12th, 1919, and granted to Louis H. Ensten, one of your petitioners, for a knitted cap. Claims 1, 3, 4, and 5 are involved. There can be no question as to infringement because the defendant's structure is identical with these claims. The issues are the ones above indicated.

2. The first suit on this patent was brought in the 6th Circuit and was decided by Judge Westenhaver, sitting in the Northern District of Ohio. He held

claims 1, 3, 4, and 5 valid and infringed and Claim 2 invalid by an interlocutory decree in May, 1922.

3. The defendant in that suit took an appeal and the plaintiff took none, and the lower court was affirmed, the opinion being reported at 291 Fed. 1003. The date of the opinion is October 4th, 1923, and the mandate was filed October 18th, 1923.

4. April 30th, 1924, Ensten disclaimed Claim 2 in the usual manner by entering a disclaimer in the Patent Office pursuant to Sections 973, 4917 and 4922 of the Revised Statutes, 28 U. S. Code, Section 821, and 35 U. S. Code, Sections 65 and 71 respectively. The two latter sections are printed in an appendix to this brief. (Pages 26-27 inclusive.)

5. An unsuccessful effort was made to add a party plaintiff and on the failure of this a new suit was brought, and on motion, Judge Westenhaver held that the patent was void because the disclaimer was not filed in time, his opinion being reported in 13 Fed. (2d) 132.

6. An appeal was then prosecuted by the plaintiff, and Judge Westenhaver was reversed, the opinion being reported at 19 Fed. (2d) 66. The court took the peculiar position that the parties were the same in interest as in the earlier suit, and therefore the disclaimer question was called "moot."

7. Thereafter the defendants settled by paying $23,000, the final decree being entered November 1st, 1928 (Rec., p. 11, fol. 16).

8. The suit at bar was brought in the Southern District of New York on November 9th, 1929, and a mo-

tion was brought for a preliminary injunction in the usual manner based on the litigation in the 6th Circuit. The case came on for hearing before Judge Caffey and he dismissed the bill for the reasons given by Judge Westenhaver. Judge Caffey's opinion is found at page 26 of the record.

9. Thereupon, the petitioners, then the plaintiffs, appealed to the Circuit Court of Appeals for the Second Circuit, and the lower court was affirmed, the court holding itself bound by an earlier decision in *Hoe* v. *Goss*, 31 Fed. (2d) 565. The Court suggested that a petition for a writ of certiorari be filed in view of the *Excelsior Steel Furnace* case, above referred to. Its opinion is found at page 32 of the record.

10. The petitioners acted on this suggestion and filed the petition in this case which was allowed.

Assigned Errors.

The lower courts erred

1. In holding that the disclaimer was not filed in time, and

2. In not holding that a disclaimer, in any event, is entirely without prejudice to the validity of the claims in suit, Nos. 1, 3, 4 and 5, and hence the time of filing is immaterial as to this issue, and so the patent is valid and enforceable as to these claims.

ARGUMENT.

POINT I.

The Disclaimer was Filed in Time.

The disclaimer statutes here particularly involved were enacted in 1837 and have been slightly changed in form, but not in substance, since that date, so that the differences may be disregarded. They were construed in connection with the law of 1836 in the famous case of *O'Reilly* v. *Morse*, reported in 15 How. 62. We quote from this decision on page 121:

> 'It appears that no disclaimer has yet been entered at the patent office. But the delay in entering it is not unreasonable. For the objectionable claim was sanctioned by the head of the office; it has been held to be valid by a circuit court, and differences of opinion in relation to it are found to exist among the justices of this court. Under such circumstances, the patentee had a right to insist upon it, and not disclaim it until the highest court to which it could be carried had pronounced its judgment. The omission to disclaim, therefore, does not render the patent altogether void; and he is entitled to proceed in this suit, for an infringement of that part of his invention which is legally claimed and described. But as no disclaimer was entered in the patent-office, before this suit was instituted, he cannot, under the act of congress, be allowed costs against the wrongdoer, although the infringement should be proved.''

The patentee in the case at bar had several options after the adverse decision of Judge Westenhaver. He could disclaim immediately; he could wait until a higher court had passed upon the issue of validity; he could have brought a new suit elsewhere. In case he chose to

appeal, he could appeal within thirty days or he could wait until the final decree. He took no interlocutory appeal, and he did not file a disclaimer, but left the matter open for future determination, either by final appeal or by a new suit elsewhere. Under the doctrine of *O'Reilly* v. *Morse*, above quoted, he certainly was entitled to do this.

At that time a decision in his favor on Claim 2 by the Appellate Court would have done him no good because the other claims were ample to protect the invention and did protect it so that there was a very substantial recovery. Accordingly, after the Circuit Court of Appeals had affirmed the validity of the other claims, and before any final decree was entered, Ensten disclaimed Claim 2 instead of taking an appeal on an issue which would have been largely moot, as it would in no way have affected the matter of damages and profits or the injunction, whichever way the case had been decided. To get the peculiar characteristics necessary for the commercial exploitation of his invention, it was essential to use the elements covered by the other claims which were held valid.

From the foregoing, it is apparent that Ensten was well within the rule laid down in *O'Reilly* v. *Morse*, *supra*, because he filed his disclaimer prior to the final decree, unless he was prejudiced by the fact that the Judicial Code of 1914 had changed the law so as to permit an interlocutory appeal of which he had not taken advantage, having preferred to let the whole matter go over until the final decree, or until he might file a disclaimer short of that time. Is he to be penalized for doing this? Such is certainly contrary to the decision of *O'Reilly* v. *Morse*, which says near the top of page 121:

> "The law which requires and permits him to disclaim, is not penal but remedial. It is intended

> for the protection of the patentee as well as the public, and ought not, therefore, to receive a construction that would restrict its operation within narrower limits than its words fairly import."

The lower courts have treated this section as highly penal. They have required a prompt appeal within thirty days from an interlocutory order even though the issue to be decided was moot as to the real issues before the court, and though the interlocutory appeal is merely permissive, the final appeal being the established feature of Equity practice. They have treated the disclaimer statutes as penal and have penalized these petitioners very severely and destroyed the value of the patent because the patentee did not take an appeal on this moot question within thirty days. This, we believe, is not only contrary to *O'Reilly* v. *Morse*, but to other subsequent decisions of this court, a number of which we will now cite and comment upon.

O'Reilly v. *Morse* was rendered at the December Term, 1853. The law before the court was the law of 1836, plus the disclaimer statutes of 1837. A similar law was before the Court in *Seymour* v. *McCormick*, 19 How. 96, decided at the December Term, 1856. At page 106, near the bottom, after referring to *O'Reilly* v. *Morse*, and the matter of a disclaimer, the court goes on to say with regard to an invalid claim:

> "Under such circumstances, the patentee had a right to insist upon it, and not disclaim it until the highest court to which it could be carried had pronounced its judgment."

In *Minerals Separation* v. *Butte & Superior Mining Co.*, 250 U. S. 336, this court construed Sections 4917 and 4922 with regard to a reasonable time within which to file a disclaimer and found that a delay of more than three months after a final adjudication before this court

was excusable in view of the war conditions in March, 1917.

The delay in the case at bar was short of the time in which this court could pass on the validity of claim 2 and short of the time in which the appellate court could pass on it on appeal from a final decree. It was subsequent merely to the time in which the Appellate Court could pass on the issue had an appeal been taken from the interlocutory decree. As the purpose of the disclaimer statutes is remedial and not penal, we submit that the petitioners should be in no way penalized because they did not appeal from a mere interlocutory decree as to a mere moot question, apart from the substantial merits involved. We submit that they were entitled to have the matter go over until the final decree, and then to appeal as to this claim, as they saw fit, and any action in either case was reasonable and the delay in filing the disclaimer until that time was reasonable.

POINT II.

The filing of the disclaimer has nothing to do with the validity of the patent in suit as to claims 1, 3, 4 and 5, and relates to costs only.

We concede that if the disclaimer herein were not filed within a reasonable time, these petitioners cannot recover their costs in the suit at bar.

This doctrine was emphatically asserted by this Court in the case of *Sessions* v. *Romadka*, 145 U. S. 129, from which we quote the following, the opinion being delivered by Mr. Justice Brown:

> "We think that section 4917 ought to be read in connection with section 4922, providing that

> the patentee may maintain a suit at law or in equity for the infringement of any part of the thing patented, notwithstanding the specifications may embrace more than that of which the patentee was the first inventor or discoverer; but, in every such case in which a judgment or decree shall be rendered for the plaintiff, no costs shall be recovered, unless the proper disclaimer has been entered at the patent office before the commencement of the suit. This was practically the construction given to corresponding sections of the act of 1837 by this court in *Smith* v. *Nichols*, 21 Wall. 112, and of the Revised Statutes in *Dunbar* v. *Meyers*, 94 U. S. 187, 193. *Under section* 4922 *the effect of delaying a disclaimer until after the commencement of the suit goes only to the recovery of costs. We adhere to that construction*" (Italics added).

Section 4922 is now Section 71 of Title 35 of the United States Code, and Section 4917, is now Section 65 of Title 35 of this Code. That case, like the one at bar, involved a patent having a valid and an invalid claim. It is possible that the doctrine there enunciated may not apply to a case like that of *Carnegie* v. *Cambria* (185 U. S. 403) which centered upon the construction of a single claim which was not sustained until the specification was properly restricted. We believe the doctrine of *Sessions* v. *Romadka* applies to the case at bar.

This court also said in the famous case of *Hailes* v. *Albany Stove Co.* (123 U. S. 582) as follows, the opinion being delivered by Mr. Justice Bradley:

> "We do not see how it is possible to misunderstand the two sections when read together, as it is necessary to read them. One section authorizes a disclaimer to be filed in certain cases; the other enables patentees to maintain suits in those cases, provided a disclaimer is filed with-

> out unreasonable delay. They are parts of one law, having one general purpose, and that purpose is to obviate the inconvenience *and hardship of the common law, which made a patent wholly void if any part of the invention was wrongfully claimed by the patentee, and which made such a defect in a patent an effectual bar to a suit brought upon it.*" (Next to the last paragraph of the opinion. Italics ours.)

This applied to the Laws of 1836 and 1837 which was the law of the patent in that suit, but its language substantially applies to the law of today. In the early days nearly all patent suits were brought initially on the law side of the court, and the law practice, under the Act of 1836 and earlier, rendered a patent incurably void if too broad. The disclaimer sections were drafted in 1837 to correct these and other existing errors and have come down to us without substantial change, although the Act of 1836 and all previous enactments have been completely repealed, and the parts embodying these errors have never been re-enacted. Hence, the disclaimer statutes profess to remedy a situation which no longer exists, and this, (taken in conjunction with the ambiguity of language employed in Sections 65 and 71 of Title 35 of the United States Code, as pointed out by this court in the case of *Sessions* v. *Romadka*, heretofore mentioned) has doubtless induced the confusion which has arisen when the lower courts have passed on the matter.

A careful study of the matter has convinced us that the confusion in the lower courts is due to the fact that the matter has not been considered historically. We will not repeat this error. We will discuss the matter, beginning with the reign of Queen Elizabeth, and very briefly outline the entire history of the patent law insofar as it relates to disclaimers.

The Origin of the Law of Patents.

Once only in her reign was Queen Elizabeth seriously afraid of her Parliament. The occasion was a debate on the subject of monopolies which she had arbitrarily granted to court favorites and others. During her reign and long prior thereto, it had been common for the sovereign of England to grant monopolies, without an act of Parliament, or the advice or consent of Parliament. The prices of the articles covered by the monopolies were naturally enhanced and arbitrarily raised because of them. These monopolies were enforced by a right of search and seizure which made them effective. There were also severe punishments inflicted upon those caught with illegal goods. Naturally, monopolies were exceedingly distasteful to the free people of England and their hatred of them reached Parliament and reached the courts with the result that Queen Elizabeth repealed a good many of her's and the balance were repealed in the following reign, and it was established that monopolies should be thereafter granted only by the Act of Parliament, and the first monopoly was the patent monopoly, enacted as 21 James I, Chap. 3. Under this law, so enacted, the patentee had the privilege of drawing his own patent, but he did so at his peril. If the instrument were too broadly drawn, so that it covered more than he was entitled to cover, the entire document was held void by the Courts of England, who carried over the old hatred of monopolies to which we have just referred. This continued for about 180 years, or until about 1800, when a more just and equitable practice was established by Lord Eldon in a case which we need not now go into. It is sufficient for our purposes that the English practice, which was the only existing practice on the subject at the time of the Constitutional Convention in

1787, greatly influenced both the Convention which drafted the Constitution and the Congress which enacted the first patent act in 1790.

Through and Including the Law of 1836, a Patent was Void Which Covered too Much.

Little need be said about the Act of 1790, because it was repealed in 1793 and a more practical and better law substituted. Both these acts were so drawn that a patentee drafted his own patent and if his patent covered more than he was entitled to cover, his entire patent was void. In the Act of 1790, a defeat of a patent could be had by anyone who might be interested enough to bring a suitable action to cancel it in a United States court within one year from its grant. The Act of 1793 extended this time to three years, and in Section 6 provided that where a defendant pleaded and proved that the thing secured by the patent was not originally discovered by the patentee but had been in use or had been disclosed in some public work anterior to the supposed discovery of the patentee, judgment should be rendered for the defendant with costs and the patent declared void. This was rather drastic, but it was the law and it expressed the thought and feeling of the times. A copy of this section will be found in the appendix, page 23 of this brief. So far as we can discover, patent litigation was exceedingly infrequent and no case involving the point just mentioned reached the Supreme Court prior to the Act of 1836, which we will now discuss.

The Act of 1836 rewrote the Patent Law entirely, and established the Patent Office upon modern lines. Among other sections, this law contained section 15, which was badly drawn so as to be somewhat inconsistent. A copy of this section will be found in the

appendix, page 23. It is sufficient here to say that this section provided

> 1. That if a defendant pleaded and proved that a patentee covered more in his patent than he was entitled to cover, judgment should be in favor of the defendant.
>
> 2. That if the patentee had patentable subject matter in his patent which was used by the defendant, even though the judgment went against the patentee, yet costs could be awarded in the sound discretion of the court.

This section does not say that a patent is void because it claims too much as was said in the Act of 1793, but following the universal practice of the time, this was read into it. Speaking of the law of 1836, this Court, in the case of *O'Reilly* v. *Morse*, wherein claim 8 was held invalid and another claim sustained, stated:

> "He can lawfully claim only what he has invented and described, and if he claims more, his patent is void" (15 How. 62, 121).

A Disclaimer Under the Law of 1837 Saved a Patent Otherwise Void Under the Act of 1836.

Recognizing this, Congress, in 1837, passed the disclaimer statutes which have come down to this day, practically unchanged. Originally they were sections 7 and 9 of the Act of 1837. These will be found in the appendix, page 25. They have since been re-enacted in the Act of 1870 in the form in which they now are in the United States Code, Title 35, Sections 65 and 71, found at pages 26 and 27 of the appendix. As the differences are slight and irrelevant to this controversy, we will disregard them and address our argument entirely to these two sections of the Code. We

will also disregard Section 821 of Title 28 of the Code, as we believe it to be superfluous and because it adds nothing in point which is not found in the two sections to which we have referred.

These two disclaimer sections have always been read together by the courts. There is some duplication as they overlap, but we may disregard this. It is sufficient to say that, in substance, these sections provide, first, that a patent owner, acting in good faith, may file a disclaimer in a reasonable time and thereby reduce the patent to its proper scope, and the patent shall be enforceable as if it had been so drawn from the beginning, and second, the plaintiff shall not recover costs where his patent has been held invalid as to a substantial and material part.

In view of what we have said as to the common law and the Act of 1836, it is clear that a disclaimer was remedial. This was recognized by this court. We again quote from *O'Reilly* v. *Morse*:

(page 121)

> "The law which requires and permits him to disclaim, is not penal but remedial. It is intended for the protection of the patentee as well as the public, and ought not, therefore, to receive a construction that would restrict its operation within narrower limits than its words fairly import. It provides 'that when any patentee shall have in his specification claimed to be the first or original inventor or discoverer of any material or substantial part of the thing patented, of which he was not the first and original inventor, and shall have no legal or just claim to the same, he must disclaim in order to protect so much of the claim as is legally patented.
>
> "Where, therefore, the patent is illegal in part because he claims more than he has sufficiently described, or more than he invented, he must in either case, disclaim, in order to save the portion to which he is entitled; and he is allowed to do so when the error was committed by mistake."

This and the earlier quotation which we have made from this famous case set forth the law as we understand it, as applied to the patent law of 1836, as corrected by the disclaimer sections of 1837.

The Act of 1870 Repealed the Laws of 1836 and 1837 but Re-enacted the Law of 1837 as to Disclaimers. Thereafter the Disclaimer Law was No Longer Applicable to the Conditions it was Designed to Meet.

In 1870 the Act of 1836 as well as the Act of 1837, were both repealed and a new law enacted in which the Act of 1837 as to the disclaimer sections was re-enacted without substantial change, and the law of 1836 was entirely repealed as to the sections against which the disclaimer sections were directed. To make this clear, we quote, first from the Act of 1836, Section 15, and later from defense No. 4 of the Act of 1870, now Section 4920 of the Revised Statutes, and Section 69 of Title 35 of the United States Code. We put in italics the part of the Act of 1836 which has been re-enacted in substance. The part which we quote of the Act of 1836 reads as follows:

> "or that the patentee was not the original or first inventor or discoverer of the thing patented, *or a substantial and material part thereof claimed as new* * * *" (Italics ours.)

Paragraph 4 of Section 69 of Title 35 of the Code, reads as follows:

> "That he was not the original and first inventor or discoverer of any material and substantial part of the thing patented; * * *"

This section is printed in the appendix, page 29.

Section 15 of the Law of 1836 contained a curious sentence at its end allowing the trial court full discre-

tion as to the awarding of costs where the plaintiff had valid subject matter in his patent which was used by the defendant, although the patent was void because he claimed too much. Nothing of this kind is found in the existing defense section.

The Law of 1870 Confirmed the Bargain Theory Earlier Held by Courts.

From this and what appears below, it is apparent that it was the deliberate intention of Congress to abolish the old features of the combined patent law and common law which made a patent incurably void if too broad, and to substitute in lieu thereof the more humane and just doctrine, first enunciated by Lord Eldon in 1800. He said in substance, when speaking of British patents.

> "That they were to be considered as bargains between the inventors and the public, to be judged of on the principle of keeping good faith, by making a fair disclosure of the invention, and to be construed as other bargains." *Cartwright* v. *Arnott*, 1 Abb. P. C. 171, 174. (Robinson on Patents, Vol. 1, p. 24, Note 1.)

Time and again, this court has taken the same position when construing a patent. We quote from two decisions and from Robinson on Patents.

> "To promote the progress of useful arts is the interest and policy of every enlightened government. It entered into the views of the framers of our constitution; and the power 'to promote the progress of science and useful arts, by securing for limited times to authors and inventors, the exclusive right to their respective writings and discoveries,' is among those expressly given to congress. This subject was among the first which followed the organization of our government. It was taken up by the first congress at its second session, and an act was passed author-

izing a patent to be issued to the inventor of any useful art, etc. on his petition, 'granting to such petitioner, his heirs, administrators, or assigns, for any term not exceeding fourteen years, the sole and exclusive right and liberty of making, using, and vending to others to be used, the said invention or discovery. The law further declares that the patent 'shall be good and available to the grantee or grantees, by force of this act, to all and every intent and purpose herein contained.' The amendatory act of 1793, contains the same language; and it cannot be doubted that the settled purpose of the United States has ever been, and continues to be, to confer on the authors of useful inventions an exclusive right in their inventions for the time mentioned in their patent. It is the reward stipulated for the advantages derived by the public for the exertions of the individual, and is intended as a stimulus to those exertions. The laws which are passed to give effect to this purpose ought, we think, to be construed in the spirit in which they have been made; and to execute the contract fairly on the part of the United States, where the full benefit has been actually received, if this can be done without transcending the intention of the statute, or countenancing acts which are fraudulent or may prove mischievous. The public yields nothing which it has not agreed to yield; it receives all which it has contracted to receive. The full benefit of the discovery, after its enjoyment by the discoverer for fourteen years, is preserved, and for his exclusive enjoyment of it during that time the public faith is pledged. That sense of justice and of right which all feel, pleads strongly against depriving the inventor of the compensation thus solemnly promised, because he has committed an inadvertent or innocent mistake." (*Grant* v. *Raymond*, 6 Peters 218, 241, opinion being delivered by Mr. Chief Justice Marshall in 1832.)

It would seem that the great Chief Justice was far ahead of his time. He was speaking of a case involving

the law of 1793 which provided that if a suit be brought on a patent and the defendant should plead and prove that the patent was too broad, the patent should be void.

> "Letters Patent are not to be regarded as monopolies, created by the executive authority at the expense and to the prejudice of all the community except the persons therein named as patentees, but as public franchises granted to the inventors of new and useful improvements for the purpose of securing to them, as such inventors, for the limited term therein mentioned, the exclusive right and liberty to make and use and vend to others to be used their own inventions, as tending to promote the progress of science and the useful arts, and as matter of compensation to the inventors for their labor, toil, and expense in making the inventions, and reducing the same to practice for the public benefit, as contemplated by the Constitution and sanctioned by the laws of Congress." (*Seymour* v. *Osborne*, 11 Wall. 533, October Term, 1870, the opinion being delivered by Mr. Justice Clifford.)

The patents, there in suit, were granted in 1851 and evidently under the law of 1836.

> "The acts of legislatures which prescribe the limits and conditions of the patent privilege, and the decisions of the courts in interpreting and applying such legislative acts, relate to its contract character alone. Consideration of public policy and of justice to inventors are proper for the constitutional convention, when determining whether or not these privileges shall be granted, and for the legislature when about to define the scope of the inventor's rights and the service which he must render to the public in return. But the legislature having acted in the premises, the language of the statute, regarded, as all statutes must be, as intended to promote the common good, becomes the measure of the rights and duties of the inventor and the public, and fixes the relations

which they are to occupy toward each other. It is the office of the courts to interpret the language of the statute, and apply it to particular cases, in such a manner as to effect the intention of the legislature, by preserving these rights and enforcing these duties, as they are prescribed by the statute and specified in the patent actually granted. Patent Law as such, consisting of these statutes and decisions, therefore relates only to the contract character of the patent privilege and forms one branch of Law of Contracts. It deals with a single form of obligation, and with but two classes of parties whose relations to each other are always substantially the same. The principles on which it rests are simple, though often difficult of application on account of the abstruse or intricate character of the invention concerning which the controverted questions rise. These principles may be finally reduced to two, as fundamental grounds on which all others rest:

"1. That the inventor, having made such an invention as is entitled to the patent privilege, must communicate it to the public by publishing an accurate description of its character and uses;

"11. That the public, having received from the inventor this communication, must thenceforth, during the period for which his privilege is granted, protect him in the exclusive use of the invention so described." Robinson on Patents, Vol. I, p. 60, Art. 41, Edition of 1890.

The Patentee at Bar Has Faithfully Performed.

As to the patent here in suit, the Circuit Court of Appeals for the 6th Circuit has found it valid and infringed as to Claims 1, 3, 4 and 5, and after an accounting, the original parties settled their differences in the sum of $23,000. Claim 2 was held invalid by the District Court, and disclaimed prior to the final decree. It was never passed upon by the Circuit Court of Ap-

peals. There is no question that the inventor made a full, clear, concise and correct disclosure of his invention. As to his valid claims, he drew them properly. He has certainly done his part, and he has done it whether he entered a disclaimer or not.

The Public Should Faithfully Perform.

The law, now in effect, provides for *no forfeitures*, and no rendering void the valid claims of a patent because there was an invalid claim in the patent. Since 1870, when the law of 1836 was repealed, there has been no provision in the law for rendering void an entire patent under such circumstances.

In view of all this, it seems proven to a demonstration, that the public, having received from the inventor everything it can possibly get, which is in any way necessary to the perfect practicing of the invention, should, in the interests of manifest justice, insist that the inventor get his just reward, *i. e.*, a monopoly of the substance of his valid claims during the remainder of the life of his patent. We contend that to arbitrarily import into the law what is not there, so as to defeat the grant and render it null and void, is to defeat the ends of justice; to defeat the ends and entire purpose of the Patent Law; and to defeat the ends and entire purpose of the Constitutional provision.

The Validity of Many Patents is at Stake.

Indeed, the validity of thousands of patents is at stake. Many patents are drawn and must be drawn with an imperfect revelation of the prior art before the draftsman, who prepares the application on which the patent issues. In view of what is before him, he draws broad and narrow claims with a view to securing the inventor the just protection to which he is en-

titled, and with a view to exactly defining the invention in its various aspects, broad and narrow. He is duty bound to do this, and duty bound to act as best he may with the art which is cited by the Patent Office and brought before him, even though that art be fragmentary and incomplete. If he does his duty and does incidently and unintentionally claim too much in some claims while other claims are valid, it is highly improper to hold all claims invalid and unenforceable as was done in the case at bar. To do so is judicial legislation. It is contrary to the law as explained by this court and has no foundation in the Patent Laws of any kind whatsoever.

The Decisions on Which We Rely are Sound.

As to the facts at bar, we can but come back to our starting point. We again repeat what this court has said, namely:

> "Under Section 4922, the effect of delaying a disclaimer until after the commencement of the suit goes only to the recovery of costs. We adhere to that construction." (*Sessions* v. *Romadka, supra.*)

There is no longer any occasion to enforce "the hardship of the common law which made a patent wholly void if any part of the invention was wrongfully claimed by the patentee, and which made such a defect in a patent an effectual bar to a suit brought upon it". (*Hailes* v. *Albany Store, supra.*) Since the repeal of Section 15 of the Act of 1836 by the Act of 1870, such a hardship is unnecessary, uncouth and out of date.

Conclusion.

The conclusion of the entire matter seems very simple. The harsh construction days of 1836 have

gone, and we believe, gone forever. The attitude of courts towards patents has radically changed and is much more liberal now than formerly. The idea first enunciated by Lord Eldon in 1800 in the case of *Cartwright* v. *Arnott*, is now the recognized law of the interpretation of patents in this country also. The effort of the court is to reward the inventor according to the contribution he has made and not defeat his rights by unreasonably harsh conditions and requirements. The law has been amended as far back as 1870, in a like spirit, so that today, both through legislative enactment and the natural tendency of this court, when interpreting these enactments, there is a strong desire to avoid unnecessary technicalities and constructions which defeat otherwise valid patents. With all this in mind, it is clear that a disclaimer filed before an Appellate Court has a chance to function, and before a final decree, is filed in time and is not unreasonably delayed. Furthermore, in any event, the matter of time of filing a disclaimer relates to costs only and has nothing to do with the enforcement of the valid claims of a patent.

In the foregoing, we have treated this case largely as if it were a mere contest between two parties. It is more than this. It is combined with a public interest. Public faith demands, as we have pointed out, that the bargain between the public and the inventor be kept. How is this bargain to be determined? It can be determined in one way only, and that is by litigating the issues of validity and infringement, either or both. The lower court has used the disclaimer statutes to prevent either of these fundamental issues from being litigated. This is neither law nor justice, as we have shown. The reaction on the public, insofar as it knows of the case, is most unfortunate. A similar case, as to this point, which attracted a great deal of public attention, was

Breese v. *United States*, reported in various federal reporters beginning with volume 106 and ending with volume 203. It also reached this Court (226 U. S. 1).

In 143 Fed., at page 250 will be found the particular decision in point. It appears that Breese organized and operated a national bank in Asheville, N. C., and continued to operate it until he had illegally and feloniously looted the property and converted its assets to his own use. He was tried and convicted, and the judgment was set aside and vacated because two members of the Grand Jury, which indicted him, had not paid their taxes the year preceding their service on the Grand Jury. This may be law, but it certainly is not justice, and in this it may differ from the case at bar in which the decision of the lower court is neither law nor justice.

Nothing is more likely to bring the administration of justice into ill repute than such decisions.

We believe that this case should be remanded as was done in the case of *Brill* v. *Peckham* (189 U. S. 57).

Respectfully submitted,

O. Ellery Edwards,
Solicitor for Petitioners.

Harold Elno Smith,
Of Counsel.

Dated, New York, July 18th, 1930.

Appendix.

The Patent Act of 1793, Section 6:

1 Statutes at Large, 318.

Provided always, and be it further enacted, That the defendant in such action shall be permitted to plead the general issue, and give this act, and any special matter, of which notice in writing may have been given to the plaintiff or his attorney, thirty days before trial, in evidence, tending to prove that the specification filed by the plaintiff does not contain the whole truth relative to his discovery, or that it contains more than is necessary to produce the described effect, which concealment or addition shall fully appear to have been made for the purpose of deceiving the public, or that the thing thus secured by patent was not originally discovered by the patentee, but had been in use, or had been described in some public work anterior to the supposed discovery of the patentee, or that he had surreptitiously obtained a patent for the discovery of another person; in either of which cases judgment shall be rendered for the defendant, with costs, and the patent shall be declared void.

The Patent Act of 1836, Section 15:

5 Statutes at Large, 117.

And be it further enacted, That the defendant in any such action shall be permitted to plead the general issue, and to give this act and any special matter in evidence, of which notice in writing may have been given to the plaintiff or his attorney, thirty days before trial, tending to prove that the description and specification filed by the plaintiff does not contain the whole truth relative to his invention or discovery, or that it contains more than is necessary to produce the described effect; which concealment or addition shall fully appear to have been made for the purpose of deceiving the public, or that the patentee was not the original and first inventor or discoverer of the thing patented, or of a substantial and material part thereof claimed

as new, or that it had been described in some public work anterior to the supposed discovery thereof by the patentee, or had been in public use or on sale with the consent and allowance of the patentee before his application for a patent, or that he had surreptitiously or unjustly obtained the patent for that which was in fact invented or discovered by another, who was using reasonable diligence in adapting and perfecting the same; or that the patentee, if an alien at the time the patent was granted, had failed and neglected, for the space of eighteen months from the date of the patent, to put and continue on sale to the public, on reasonable terms, the invention or discovery for which the patent issued; in either of which cases judgment shall be rendered for the defendant with costs. And whenever the defendant relies in his defense on the fact of a previous invention, knowledge, or use of the thing patented, he shall state, in his notice of special matter, the names and places of residence of those whom he intends to prove to have possessed a prior knowledge of the thing, and where the same had been used: *Provided however*, That whenever it shall satisfactorily appear that the patentee, at the time of making his application for the patent, believed himself to be the first inventor or discoverer of the thing patented, the same shall not be held to be void on account of the invention or discovery or any part thereof having been before known or used in any foreign country, it not appearing that the same or any substantial part thereof had before been patented, or described in any printed publication. *And provided also*, That whenever the plaintiff shall fail to sustain his action on the ground that in his specification of claim is embraced more than that of which he was the first inventor, if it shall appear that the defendant had used or violated any part of the invention justly and truly specified and claimed as new, it shall be in the power of the court to adjudge and award as to costs, as may appear to be just and equitable.

The Patent Act of 1837, Section 7:

5 Statutes at Large, 191.

And be it further enacted, That, whenever any patentee shall have, through inadvertence, accident, or mistake, made his specification of claim too broad, claiming more than that of which he was the original or first inventor, some material or substantial part of the thing patented being truly and justly his own, any such patentee, his administrators, executors, and assigns, whether of the whole or of a sectional interest therein, may make disclaimer of such parts of the thing patented as the disclaimant shall not claim to hold by virtue of the patent or assignment, stating therein the extent of his interests in such patent; which disclaimer shall be in writing, attested by one or more witnesses, and recorded in the Patent Office, on payment by the person disclaiming in manner as other patent duties are required by law to be paid, of the sum of ten dollars. And such disclaimer shall thereafter be taken and considered as part of the original specification, to the extent of the interest which shall be possessed in the patent or right secured thereby, by the disclaimant, and by those claiming by or under him subsequent to the record thereof. But no such disclaimer shall effect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing the same.

The Patent Act of 1837, Section 9:

And be in further enacted, any thing in the fifteenth section of the act to which this is additional to the contrary notwithstanding, That, whenever by mistake, accident, or inadvertence, and without any wilful default or intent to defraud or mislead the public, any patentee shall have in his specification claimed to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the first and original in-

ventor, and shall have no legal or just right to claim the same, in every such case the patent shall be deemed good and valid for so much of the invention or discovery as shall be truly and *bona fide* his own; *Provided*, It shall be a material and substantial part of the thing patented, and be definitely distinguishable from the other parts so claimed without right as aforesaid. And every such patentee, his executors, administrators, and assigns, whether of the whole, or of a sectional interest therein, shall be entitled to maintain a suit at law or in equity on such patent for any infringement of such part of the invention or discovery as shall be *bona fide* his own as aforesaid, notwithstanding the specification may embrace more than he shall have any legal right to claim. But, in every such case in which a judgment or verdict shall be rendered for the plaintiff, he shall not be entitled to recover costs against the defendant, unless he shall have entered at the Patent Office, prior to the commencement of the suit, a disclaimer of all that part of the thing patented which was so claimed without right. *Provided however*, That no person bringing any such suit shall be entitled to the benefits of the provisions contained in this section, who shall have unreasonably neglected or delayed to enter at the Patent Office a disclaimer as aforesaid.

United States Code—Title 35; Section 65:

DISCLAIMER. Whenever, through inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, a patentee has claimed more than that of which he was the original or first inventor or discoverer, his patent shall be valid for all that part which is truly and justly his own, provided the same is a material or substantial part of the thing patented; and any such patentee, his heirs or assigns, whether of the whole or any sectional interest therein, may, on payment of the fee required by law, make disclaimer of such parts of the thing patented as he shall not choose to claim or to hold by virtue of the patent or assignment, stating therein the

extent of his interest in such patent. Such disclaimer shall be in writing, attested by one or more witnesses, and recorded in the Patent Office; and it shall thereafter be considered as part of the original specification to the extent of the interest possessed by the claimant and by those claiming under him after the record thereof. But no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing it.

United States Code—Title 35; Section 69:

PLEADING AND PROOF IN ACTIONS FOR INFRINGEMENT. In any action for infringement the defendant may plead the general issue, and, having given notice in writing to the plaintiff or his attorney thirty days before, may prove on trial any one or more of the following special matters:

FIRST: That for the purpose of deceiving the public the description and specification filed by the patentee in the Patent Office was made to contain less than the whole truth relative to his invention or discovery, or more than is necessary to produce the desired effect; or,

SECOND: That he had surreptitiously or unjustly obtained the patent for that which was in fact invented by another, who was using reasonable diligence in adapting and perfecting the same; or,

THIRD: That it has been patented or described in some printed publication prior to his supposed invention or discovery thereof, or more than two years prior to his application for a patent therefor; or,

FOURTH: That he was not the original and first inventor or discoverer of any material and substantial part of the thing patented; or,

FIFTH: That it had been in public use or on sale in this country for more than two years before his application for a patent, or had been abandoned to the public.

And in notices as to proof of previous invention, knowledge, or use of the thing patented, the defendant shall state the names of the patentees and the dates of their patents, and when granted, and the names and residences of the persons alleged to have invented or to have had the prior knowledge of the thing patented, and where and by whom it had been used; and if any one or more of the special matters alleged shall be found for the defendant, judgment shall be rendered for him with costs. And the like defenses may be pleaded in any suit in equity for relief against an alleged infringement; and proofs of the same may be given upon like notice in the answer of the defendant, and with the like effect.

United States Code—Title 35; Section 71:

SUIT FOR INFRINGEMENT WHERE SPECIFICATION TOO BROAD. Whenever, through inadvertence, accident, or mistake, and without any willful default or intent to defraud or mislead the public, a patentee has, in his specification, claimed to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the original and first inventor or discoverer, every such patentee, his executors, administrators, and assigns, whether of the whole or any sectional interest in the patent, may maintain a suit at law or in equity, for the infringement of any part thereof, which was *bona fide* his own, if it is a material and substantial part of the thing patented, and definitely distinguishable from the parts claimed without right, notwithstanding the specifications may embrace more than that of which the patentee was the first inventor or discoverer. But in every such case in which a judgment or decree shall be rendered for the plaintiff no costs shall be recovered unless the proper disclaimer has been entered at the Patent Office before the commencement of the suit. But no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer.

FILE COPY

DEC 5 19
CHARLES ELMORE C

Supreme Court of the United States

OCTOBER TERM 1930

No. 46

LOUIS H. ENSTEN and LION KNITTING MILLS COMPANY,

Petitioners,

against

SIMON ASCHER & CO., INC.,

Respondent.

BRIEF ON BEHALF OF RESPONDENT

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4th Day of December 1930 2:30 P.M.
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LOUIS H. ENSTEN and LION KNITTING MILLS COMPANY,

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Respondent.

BRIEF ON BEHALF OF RESPONDENT.

This case comes before this Court on a writ of certiorari to the Circuit Court of Appeals for the Second Circuit.

The writ was granted on the ground that there was diversity of decision between the Circuit Courts of Appeals for the Second and the Seventh Circuits.

The question presented for decision is whether the plaintiff below, by the filing of a disclaimer after a delay of nearly two years after an interlocutory decree of the Ohio District Court, declaring invalid claim 2 of the patent in suit, has brought himself within the provisions of Revised Statutes, Sections 4917 and 4922 (35 U. S. C. A., Sections 65 and 71), so as to be entitled to maintain a suit in equity for the infringement of other claims of the patent.

According to the Circuit Court of Appeals for the Second Circuit, there is diversity of views on this question between the two Circuit Courts of Appeals.

The Facts.

On May 24, 1922, in *Ensten* v. *Rich Sampliner Company, et al.* (unreported), in the United States District Court for the Northern District of Ohio, Eastern Division, Judge WESTENHAVER entered an interlocutory decree holding claims 1, 3, 4 and 5 of the patent valid and infringed; and holding claim 2 invalid. (See 291 Fed. 1003.)

On June 10, 1922, appeal was taken by the defendants in that suit from the portion of the decree holding claims 1, 3, 4 and 5 valid and infringed.

No appeal was ever taken by the plaintiff from the portion of the decree holding claim 2 invalid.

On June 20, 1923, the Circuit Court of Appeals for the Sixth Circuit filed an opinion (291 Fed. 1003) affirming the District Court, but, of course, did not pass upon the validity of claim 2, as it was not before the court.

The case went to an accounting and during the accounting the plaintiff attempted to prove loss of profits and damages to his alleged exclusive licensee, Lion Knitting Mills Company. The Master rejected the proof because the Lion Knitting Mills Company was not a party plaintiff in that suit. The District Court affirmed this ruling.

Subsequently, on April 30, 1924 (nearly two years after the entry of the interlocutory decree holding claim 2 invalid), a disclaimer of claim 2 was entered in the Patent Office by the plaintiff.

Thereafter, plaintiff, together with the Lion Knitting Mills Company as a party plaintiff, filed a new bill in the same Court, against the same defendants.

Defendants moved to dismiss upon the ground that the suit could not be maintained because the entering of the disclaimer had been unreasonably neglected or delayed.

As a result of this motion a decree was entered dismissing the bill; and an appeal was taken.

The Circuit Court of Appeals for the Sixth Circuit did not pass upon the question of whether the entry of the disclaimer had been unreasonably neglected or delayed, as it found that the new bill was in the nature of an amendment to the original bill and held that the question was therefore moot.

The District Court was reversed solely upon the ground that the new bill should have been treated as an amendment to the original bill.

Thereafter, on November 1, 1928, the final decree was entered in the original suit and settlement was made by the defendant in that case.

This was the state of the patent when the instant suit was commenced on November 9, 1929, in the District Court for the Southern District of New York.

On motion of defendant, this suit was dismissed because the entry of the disclaimer had been unreasonably neglected or delayed, following the opinion of Judge WESTENHAVER in the second suit in the Ohio District.

Upon appeal, the District Court for the Southern District of New York was affirmed on the authority of the Hoe Case, in the Second Circuit Court of Appeals; and the case is here on certiorari to that decree.

The petitioner here was the plaintiff below, and the respondent here was the defendant below.

In this brief, we will speak of the petitioner as the plaintiff, and of the respondent as the defendant.

The plaintiff contends here:

1. The disclaimer was filed in time.
2. The filing of the disclaimer has nothing to do

with the validity of the patent in suit as to claims 1, 3, 4 and 5, and relates only to costs.

We will consider these points in this order.

POINT I.

The entering of the disclaimer in this case was unreasonably delayed and the plaintiff lost the right to amend the patent, and to maintain a suit thereon for infringement.

Under the common law, and, as well, under the Patent Act of 1793, a patent was *void* when it was made to appear that the thing secured by the patent was not originally discovered by the patentee. The patentee can lawfully claim only what he has invented and described, and if he claim more, his patent is void. *O'Reilly* v. *Morse*, 15 How. 62, 121.

Under the Patent Act of 1836 it is provided that "judgment shall be rendered for the defendant with costs" when it shall have been made to appear "that the patentee was not the original and first inventor or discoverer of the thing patented *or of a substantial and material part thereof*". (Italics ours.)

By the reissue statute (enacted in 1832), such void patents could be surrendered and reissued for the true invention, thus eliminating the excess. But all rights prior to reissue were forfeited by the surrender.

The disclaimer statutes were enacted, in 1837, to provide an inexpensive and expeditious method of promptly removing the defect of excessive claiming; and, at the same time, to avoid the defense on this ground.

The disclaimer statutes, originally enacted as Sections 7 and 9 of the Patent Act of 1837, are substantially now reenacted as Revised Statutes, Sections 4917 and 4922.

Section 4917 provides a method of amending a defective patent.

Section 4922 provides a method of avoiding the defense of excessive claiming and permits the maintaining of a suit for infringement, provided a disclaimer is seasonably entered in the Patent Office. *Robinson on Patents*, Vol. 2, Sec. 640, p. 279, Ed. of 1890.

The defense of excessive claiming still exists, but the disclaimer statute provides the means of avoiding it, by *promptly* amending the patent. If the disclaimer has been entered without unreasonable delay, the defense falls by virtue of these statutes. *Robinson on Patents*, Vol. 2, Sec. 651, pp. 292-293, Ed. of 1890.

History of the Disclaimer Statutes.

Under the Act of 1837, in Section 7, it was provided that where, without fraud, there is excessive claim, "but some material or substantial part of the thing patented" truly belongs to the patentee, such patentee may disclaim the excess. Such disclaimer shall thereafter be taken and considered a part of the original specification. "But no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing the same."

Section 9 provided that whenever, without fraud, there is excessive claim "of any material or substantial part of the thing patented, of which he was not the first and original inventor", in every such case "the patent shall be deemed good and valid for so much of the invention or discovery as shall be truly and *bona fide* his own", provided the true invention shall be "a material and substan-

tial part of the thing patented, and be definitely distinguishable from the other parts so claimed".

And such patentee "shall be entitled *to maintain* a suit" on such patent for infringement of the true invention, notwithstanding the excessive claim, provided he has not unreasonably neglected or delayed to enter disclaimer. "Where, therefore, the patent is illegal in part because he claims more than * * * he invented, he must * * * disclaim, in order to save the portion to which he is entitled * * *". *O'Reilly* v. *Morse*, 15 How. 62, 121.

Sections 4917 and 4922 of the Revised Statutes (U. S. C. A., Title 35; Secs. 65 and 71) embrace all of the provisions of the two sections of the Act of 1837, but in somewhat different order.

Section 4917 contains all of the provisions of Section 7 of the Act of 1837, and, in addition, the opening clause of Section 9 of that Act, which provided that a patentee who, without fraud, makes excessive claim, may have a valid patent for all that part which is truly and justly his own, providing it is "a material or substantial part of the thing patented".

Section 4922 contains all of the provisions of Section 9 of the Act of 1837, except the first clause thereof, as above stated.

So it would seem that all of the provisions of Sections 7 and 9 of the Act of 1837 are present in Sections 4917 and 4922 of the Revised Statutes, the only difference being that the first clause of Section 9 is joined with Section 7 under Section 4917, and all the remaining clauses of Section 9 of the Act of 1837 constitute Section 4922.

The Effect of These Statutes.

It would seem that prior to the disclaimer statutes of 1837, it was the law that the whole patent was void if there was an excessive claim. It could be cured only by a reissue, and even this remedy was not available until 1832.

By the disclaimer statutes of 1837 and, as well, by the continuing disclaimer statutes to date, the effect of an excessive claim may be overcome by a proper disclaimer, but it must be seasonably filed. The statutes attach a condition that the plaintiff may not maintain a suit on the valid portions of his patent if he has unreasonably delayed in the filing of a disclaimer.

Under the cases, the disclaimer statutes must be read together. As we read these statutes, they mean that the patent containing the excess claim may be amended by disclaimer so as to be valid for the true invention, in spite of the excess; but if a disclaimer is not filed within a reasonable time, the patentee's action is equivalent to a fraudulent assertion of the excess, and his failure to file seasonably becomes a defense equal to the defense of fraudulent claiming. The patentee may initiate his action and maintain it so long as he is not *unreasonably* delaying in the filing of the disclaimer; but if the delay becomes unreasonable, it amounts to an assertion of the excess subsequent to knowledge of the excess; and that delay can be set up and may constitute a defense to the action.

The provision that no patentee shall be entitled to the benefits of Section 4922 if he has unreasonably neglected or delayed to enter a disclaimer means that as soon as the unreasonable character of the delay is apparent, the patentee has lost his right to amend his defective patent and to avoid the defense of excessive claiming; and that defense is then effective and complete.

Possibly nowhere has the meaning of these statutes been so succinctly stated as by Mr. Justice BRADLEY in *Hailes* v. *Albany Stove Co.* (1887), 123 U. S. 582, 588, where he says:

> "We think that counsel is mistaken in supposing that these sections have reference to different sets of circumstances as grounds for a disclaimer. They both relate to the same condition of things in that regard, namely, to the case in which a patentee, through inadvertence, accident, or mistake, and without any fraudulent intent, has included and claimed more in his patent than he was entitled to, and where the part which is *bona fide* his own is clearly distinguishable from the part claimed without right. In every such case he is authorized by section 4917 to file a disclaimer of the part to which he is not entitled; and that is the only section which gives him this right. The object of the other section (4922) is to legalize and uphold suits brought on such patents as are mentioned in section 4917, to the extent that the patentees are entitled to claim the inventions therein patented; but no costs are allowed to the plaintiffs in such suits unless the proper disclaimer has been entered at the patent office before the commencement thereof; and no patentee is entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer.
>
> We do not see how it is possible to misunderstand the two sections when read together, as it is necessary to read them. One section authorizes a disclaimer to be filed in certain cases; the other enables patentees to maintain suits in those cases, provided a disclaimer is filed without unreasonable delay. They are parts of one law, having one general purpose; and that purpose is to obviate the inconvenience and hardship of the common law, which made a patent wholly void if any part of the invention was wrongfully claimed by

the patentee, and which made such a defect in a patent an effectual bar to a suit brought upon it."

The Question Under Point I.

The question here is whether the owner of the patent in suit has brought himself within the provision of Rev. Stat. Section 4922, so as to "be entitled to the benefits of this section", since he did not file a disclaimer until April 30, 1924, which was nearly two years after claim 2 of the patent in suit had been declared invalid by the interlocutory decree of the District Court of Ohio on May 24, 1922. (See 291 Fed. 1003.)

Our contention is that when an excessive claim appears in any patent, the owner is *immediately* under obligation to disclaim, *unless* he is then engaged in prosecuting a suit to sustain the validity of such claim along *the most expeditious line reasonably open* that the law permits. The continuity of his effort is broken if he does not take the first available line that the law allows. He cannot, as in this case, forego the *right* to appeal from the interlocutory decree, and continue to assert his claim to a declared excessive and invalid claim for nearly two years. If he does, he loses the right to amend the patent and to maintain a suit on the valid claims thereof.

Can the plaintiff now "maintain a suit" under Rev. Stat. Section 4922? For it is only by the provisions of this section that he can maintain this suit.

Claim 2 of this patent was held invalid by the interlocutory decree of the Ohio District Court on May 24, 1922. From this decree no appeal was ever taken. A disclaimer was filed nearly two years later, but before final decree in that case.

Has the plaintiff here broken the continuity of his effort to prosecute his claim under *all* the statutes?

We think he has.

In the absence of the disclaimer statutes, this patent is void because of the excessive claim. No suit can be maintained on it unless the disclaimer has been entered without unreasonable delay. Knowingly to persevere in an excessive claim is equivalent to an original fraudulent insertion of such excess. Such original fraud is an incurable vice.

Robinson says:

> "The defect which a disclaimer is intended to remove is one that, in its nature, is fatal to the patent. An inventor has no more right under the modern law than he had under the ancient law to claim what he has not invented, and thus deprive the public of their vested privileges. Knowingly to insert such Claims in his original patent is a fraud which invalidates his grant, and knowingly to persevere in them, after he has discovered that they are without foundation, is a fraud which *forfeits all his rights* to the protection of any part of the invention covered by the patent. In cases of excessive Claim *an amendment by disclaimer* or re-issue *is thus necessary* to save any portion of the privilege conferred by the patent; and at whatever period, during the life of the patent, the patentee becomes aware of this defect he must remove it or the value of his patent is destroyed. (Robinson on Patents, Vol. 2, Sec. 642, pp. 280, 281.) (Italics ours.)

When the owner discovers the excess, his obligation to disclaim arises. To unreasonably delay thereafter is to forfeit the rights granted under the disclaimer statute.

> "An excessive Claim can be amended by disclaimer only when the amendment is attempted without unreasonable delay. The same principle which forbids a patentee to assert a right to more than he has actu-

ally invented compels him to disavow the right *as soon* as he discovers that it has been unjustly claimed. Unreasonable delay in disclaiming is thus tantamount to an original fraudulent Claim, and through it the patentee loses the privilege of making the amendment by which alone his patent could be saved." (Robinson on Patents, Vol. 2, Sec. 646, p. 284.) (Italics ours.)

Delay begins whenever the patentee becomes aware that he is not the first inventor.

"The question of unreasonable delay is a question for the court, upon the facts as found either by its own investigation or the verdict of a jury. Delay begins whenever the patentee becomes aware that he has claimed more than he has invented or described. In cases where the excess is not apparent at once upon the inspection of the patent by the patentee, the allowance of his Claim by the Patent Office raises such a presumption in its favor that he may rely on its validity until a court of competent jurisdiction decides that it is broader than his real invention." (Robinson on Patents, Sec. 646, Vol. 2.)

In *Singer* v. *Walmsley* (1860), 1 Fisher, 558, 22 Fed. Cas. 207, GILES, *J.*, said (575):

"What is 'unreasonable delay' is a question to be settled by the court and not for the jury * * *. The court will find that the time, in reference to the question of delay, commences when the knowledge was brought home to the party that he was not the first inventor, or when it is declared by a court, of competent jurisdiction to settle the question, that he was not the first inventor; then it is that the time commences to run, and not until then."

As appears from the case of *O'Reilly* vs. *Morse* (1853), 15 How. 62, the plaintiff does not have to disclaim while

he is diligently prosecuting his appeal. He may await until the highest Court to which it can be carried has pronounced judgment. But that case cannot be considered as having devitalized the disclaimer statutes. In that case the claim had been held invalid in the lower court, and the Supreme Court was merely saying that if the plaintiff is in good faith prosecuting his appeal, he need not disclaim "until the highest court to which it could be carried" had passed judgment.

This, certainly, is no justification for contending that the plaintiff can delay until *final* decree in the District Court before taking the case to the highest court to which he had the *right* to go. At that time (1853) there was no appeal from the interlocutory decree. So the question of the unreasonableness of the delay after the interlocutory decree could not come up. The plaintiff had the right to appeal; and so long as he took the first open line of procedure, he could not be said to have delayed *unreasonably.*

But what of the case after he is given the right of appeal from the interlocutory decree?

According to Robinson—and to the rationale of the subject—the delay begins as soon as the patentee learns of the excess. The question as to the *reasonableness* of the delay depends on the circumstances. If he intends to insist on the validity of the claim declared to be excessive, he has a line of procedure open to him. If he does not follow it, he is knowingly persevering in a declared invalid claim during a period when he, alone, can bring this question to the "highest court", and does not. Is not the delay occasioned by such a perseverance in a claim declared not to be his, a delay that requires explanation and justification? Can he be said to be diligently and continuously attempting to obtain a determination of the validity of his

claim? And is it not possible, if he is not required to appeal by the first open line, to so persist in this declared invalid claim over a long period (in the instant case, nearly two years), with no intention of appeal from the final decree?

In the instant case, the plaintiff disclaimed before the final decree, possibly with the thought of its effect on a case then to be brought. But for nearly two years he had delayed in his disclaimer, and was, therefore, improperly persevering in the invalid claim. He took the chance of this delay being declared unreasonable. He was oppressing the public during all this time, apparently with no intention of appealing from the final decree. This delay was unreasonable. He has not complied with the provisions of Section 4922, and he cannot maintain this suit.

Answer to the Contention That the Appeal Statutes Govern This Point.

It is urged in behalf of the plaintiff's position that the right to appeal after interlocutory decree is merely permissive, and that since the right to appeal remains until after final decree in the District Court, the obligation to disclaim is held in abeyance until then, even though the plaintiff knows of the excessive nature of his claim and neglects to take the first open line of procedure to have the determination of the interlocutory decree set aside.

Must the appeal statutes be construed so as to defeat the purpose of the disclaimer statutes? We think not.

It must be borne in mind that without the disclaimer statute there is no right to maintain *any* suit on the excessive patent.

It is true that the appeal statutes provide for the appeal from either the interlocutory or final decree. But it

is equally true that, for the purposes of this discussion, the right of appeal after interlocutory decree gives to the plaintiff all the rights of the appeal from the final decree. In this respect the interlocutory decree is the law of the case until set aside by a reviewing court. The appeal from the final decree is really an appeal from the effect of the interlocutory decree, so far as we are here concerned. So what the plaintiff is here contending for is a mere form.

But the law makes this patent entirely void unless a disclaimer is filed seasonably. The plaintiff is faced with the necessity, after the finding of invalidity, either of promptly prosecuting his litigation along a line giving him the fullest protection to which he has a *right*, or of disclaiming. Is he maintaining the continuity of his effort, in good faith, when he neglects the first open line to a complete legal remedy, and elects to await idly the same remedy after a period of inactivity, so far as this right is concerned, that may amount to two, four, or even six years of accounting on an entirely different phase of the case?

And all this in the face of the policy of the law that gives him a right to maintain a suit only if he move with reasonable dispatch.

It does not seem to us that the cases, cited in the opposing briefs, on the right of appeal have application to this controversy.

As was said by the Court in *U. S.* vs. *American Bell Telephone Co.*, 167 U. S. 224:

> "A party seeking a right under the patent statutes may avail himself of *all* their provisions * * *."

But it is equally true that he takes with *all* the burdens imposed by these statutes. If he is insisting on the right

to maintain a suit on an otherwise unenforceable patent, he must comply with the provisions of the statute creating that right. And it does not seem to us that there is anything in any of the cases cited to the contrary.

The case of *Abercrombie & Fitch* vs. *Baldwin*, 245 U. S. 195, is referred to as, impliedly, declaring the law to be contrary to defendant's position here. An inspection of the facts shows this not to be true.

The decree of the Third Circuit Court of Appeals declaring the one claim in issue invalid was handed down January 22, 1915. Less than a month later, the District Court for the Southern District of New York filed its opinion, referring to the case in the Third Circuit Court of Appeals, but refusing to follow it, and upholding the same claim.

Here the plaintiff had, within one month, two decisions—the first, unfavorable; the second, favorable. Under these conditions, could a delay in disclaiming be said to be unreasonable? We think not. In the Second Circuit, the claim was valid until the District Court was reversed. As a matter of fact, the claim was upheld in that Circuit Court of Appeals and in the Supreme Court.

Certainly, under these conditions, there was no unreasonableness in delaying the filing of the disclaimer. Within a month, there was actually a difference of decision in two Circuits. While it is true the Second Circuit Court of Appeals did not hand down its decision until ten months after the Third Circuit Court of Appeals decision, it is a fact that the District Court of the Southern District of New York found the claim valid in the face of the contrary decision of the Third Circuit Court of Appeals, and this constituted the law of that District until reversed.

We conceive the law to be that, so long as a plaintiff is, in one or a series of cases, in good faith prosecuting his litigation *by the most expeditious line that is fairly open to him* under the statutes to obtain a determination as to the validity of his claim, he is under no present obligation to disclaim.

When the apparent invalidity of the claim is brought home to the patent owner by the decree of a court of competent jurisdiction or in other manner sufficient to overcome the presumption of validity attaching to the patent grant, an obligation to act promptly to save his patent is placed upon the patentee by the disclaimer statutes.

But just as soon as he passes by any opening available to him to litigate this issue to a conclusion, he is *breaking the continuity* of his effort and raising the question of the reasonableness of the delay.

Where more than one line of procedure presents itself for consideration, the patent owner must choose a line that involves no period of time during which he is not actively asserting the validity of the claim before a tribunal of competent jurisdiction whose decision will advance the final determination of the question by the court of last resort.

If, as in the instant case, he delays for two years while the accounting is in progress, and then, before final decree, files a disclaimer, a court is justified in holding, as in this case, that he has been guilty of unreasonable delay in filing the disclaimer, and is not entitled to maintain a suit on the patent under Rev. Stat. Section 4922.

It does not seem to us that *Silsby* vs. *Foote*, 61 U. S. 378 (1857), cited in the opposing brief, has any relevancy to the instant case. There the anticipating device had been held by the lower court, in the same case, to be destructive of claim 4 of the patent there in suit. The plaintiff had taken

the first opening to litigate his claim to validity. The plaintiff there had not unreasonably delayed at all. He had not passed by any opening or line by which he could have earlier litigated the issue on the declared invalid claim. This case was merely that of *O'Reilly* vs. *Morse, supra,* over again. There was delay—but it was not unreasonable.

The plaintiff here, relying on *O'Reilly* vs. *Morse, supra,* contends that he is under no obligation to proceed by the first open line, but may await the final decree before proceeding to litigate his claim in the highest court available to him.

As stated before, our contention is that *O'Reilly* vs. *Morse, supra,* merely decides that the plaintiff has the right *to go* to the highest court available before disclaiming—if he does not break the continuity of his effort.

But we say that plaintiff does break the continuity of his effort if he neglects to appeal from the interlocutory decree. The disclaimer statutes demand prompt action in order that there be no improper perseverance in excessive claim. The policy of these statutes requires promptness in disclaiming; and if plaintiff neglects to take the first opening to bring the issue before a reviewing court and continue along that line to its ultimate end, he is guilty of unreasonable delay and is not entitled to maintain his suit under Rev. Stat. Section 4922.

The principle at the basis of the above discussion is recognized in the case of *Mershon* vs. *Bay City Box Co.*, 189 Fed., 741, 753 (1910), where Judge Denison, in the Circuit Court, E. D. of Michigan, said:

> "We are confronted, then, by the rule that the patent was invalid, unless this claim is seasonably disclaimed in the Patent Office. It would seem that com-

plainant ought not to have any decree whatever on a patent which is *prima facie* invalid; but if this apparently logical rule was enforced and if complainant was required to disclaim a certain claim as a condition of having a favorable decree upon other claims, he would be obliged to accept the judgment of the trial court upon the claim found invalid, as final, and must file his disclaimer and lose his right of appeal upon that subject, or else, he must refuse to file the disclaimer, whereupon the entire bill must be dismissed; and while complainant could appeal from that decree, yet if the appellate court found that the action of the court below in requiring the disclaimer was right, the decree would be affirmed without considering the claims found valid below, and so complainant would lose the benefit of the valid claims. For these considerations, it seems to me clear that in such a case the usual interlocutory decree for injunction and accounting should be entered upon the valid claims and dismissing the bill as to the invalid claims, upon the theory that the failure to disclaim cannot be unreasonable until complainant has had an opportunity to litigate the validity of that claim to the court of last resort. This rule has been definitely adopted and announced by the Court of Appeals in the Second Circuit (*Page* v. *Dow*, 168 Fed. 703, 94 C. C. A. 209), and so far as I am aware, has been customarily followed in this circuit (*Plecker* v. *Poorman*, 147 Fed. 528, *Thompson, J.*).

"The difficulty cannot be met, in an interlocutory decree of this character, by providing that the complainant must, in the alternative, within the time limited, file disclaimer or take his appeal from that part of the decree dismissing the bill as to the invalid claim, because the complainant cannot appeal from that portion of such a decree. *In re National Enameling & Stamping Co.*, 201 U. S. 156, 26 Sup. Ct. 404, 50 L. Ed. 707.

* * * * *

"The difficulty here cannot be met by requiring, in the alternative, a disclaimer or an appeal by complainant within a limited time, because any provision along that line, fully worked out, would tend to affect the finality of the decree, and might destroy complainant's right of appeal.

"I see no way of preserving all rights except to proceed upon the assumption that the complainant is reasonably entitled to appeal, and that he will appeal, and that the eventual mandate of the Court of Appeals will properly dispose of the disclaimer question, leaving it with no present effect upon the decree of this court, except as to costs. If this assumption proves to be erroneous, and if the complainant rests content without an appeal or does not prosecute the appeal, the further action of this court upon that situation can be invoked by petition for rehearing, or review, or some proceeding of that general character."

It seems to us that Judge DENISON applied the rule for which the defendant here contends. In that case, and at that time, there was no appeal from an interlocutory decree. The Court recognized the logic of the rule that no recovery whatever should be had on a patent that is *prima facie* invalid. But because of the then limitations of the right of appeal, it was held not unreasonable to delay filing a disclaimer "until the complainant has had an opportunity to litigate the validity of that claim to the court of last resort."

We believe this to be the law. The patentee cannot be held to have delayed unreasonably until he has had the opportunity to take the question of validity to the court of last resort. But if he has that right and neglects it, then he has unreasonably delayed and neglected to disclaim under the statute, and has forfeited his right to further prosecute the suit.

Judge DENISON recognized the full significance of the interlocutory decree with and without the right of appeal therefrom. He properly decided that without the right of appeal from the interlocutory decree, there was no unreasonable delay in failing to disclaim promptly upon the entry thereof. We believe it is apparent that to Judge DENISON, it would have constituted unreasonable delay, if there had been the right of appeal at that time from such a decree and no appeal had been taken.

And in that opinion, Judge DENISON feels the logic of the principle contended for here by defendant to the extent that he suggests that the further action of the court could be invoked in that case in order to protect against unreasonable delay in filing the disclaimer, if and when such delay were made to appear.

We contend that under Section 4922 the suit cannot be *maintained* unless it appears that patentee has not unreasonably delayed in filing a disclaimer. Until that fact does affirmatively appear no recovery should be allowed or relief granted in any case.

The patentee is not entitled to the benefits of the statute, *i. e.*, he cannot *maintain* his suit, if he has unreasonably neglected or delayed to enter a disclaimer.

He may bring the suit and continue to prosecute it to the end. But at some stage before ultimate relief in the form of recovery is granted, it must appear that he has filed a disclaimer without unreasonable delay.

In the case of *Liquid Carbonic Co. et al.* vs. *Gilchrist Co.*, 253 Fed. 54 (C. C. A. 7th) 1918, ALSCHULER, *C. J.*, held:

> "Petition for modification of the order of this court directs attention to Sections 4917 and 4922, Rev. Stat. U. S., * * * and it is urged there should be no decree in appellee's favor under valid and infringed

claim 2 of the patent, unless claim 1, which we found to be void, was disclaimed as in these statutes provided, and that in no event is appellee entitled to recover any costs.

"That under the circumstances indicated in these statutes, *the benefit of any recovery* by the patentee *is denied unless or until disclaimer is filed*, and that he is entitled to recover no costs where disclaimer is not filed prior to the beginning of the suit, appears to be too well settled by the statutes and the decisions applying them to require further elucidation.

Sessions v. *Romadka*, 145 U. S. 29, 12 Sup. Ct. 799, 36 L. Ed. 609;

Gage v. *Herring*, 107 U. S. 640, 2 Supt. Ct. 819, 27 L. Ed. 601;

Seymour v. *McCormick*, 19 How. 96, 15 L. Ed. 557;

O'Reilly v. *Morse*, 15 How. 62, 14 L. Ed. 601;

Westinghouse v. *Cooper*, 245 Fed. 463, 157 C. C. A. 625;

Cummer & Son v. *Atlas Dryer Co.*, 193 Fed. 993, 113 C. C. A. 611;

Herman v. *Youngstown Car Co.*, 191 Fed. 579, 112 C. C. A. 185;

Novelty Glass Co. v. *Brookfield*, 172 Fed. 221, 97 C. C. A. 25;

Fairbanks, Morse & Co. v. *Stickney*, 123 Fed. 79, 59 C. C. A. 209;

Metallic Extraction Co. v. *Brown*, 110 Fed. 665, 49 C. C. A. 147.

"Claim 1, which we found void, is material and substantial, though it does not appear that the claim was made through 'any willful default or intent to defraud or mislead the public,' but rather 'through an inadvertence, accident or mistake.' No disclaimer of

it appearing to have been entered as in the statutes provided, but no unreasonable delay or neglect therein appearing, the order we heretofore made must be and is set aside, and in lieu thereof we make the following order:

"The decree of the District Court is reversed, and appellee shall have 60 days after mandate herein is filed in the district court, in which to file there a certified copy of disclaimer of claim 1 of the patent which disclaimer is to be entered in the United States Patent Office; and on the filing of such certified copy of disclaimer the District Court shall enter the usual decree for injunction and accounting under claim 2 of said patent, without costs to appellee. *Failing to enter and to file such disclaimer as prescribed, the bill shall be dismissed at appellee's costs.* Neither party shall recover costs of this appeal." (Italics ours.)

Disclaimer being an expeditious alternative to reissue, in the case of excessive claiming, the patentee is under obligation to disclaim at once on learning of the defect in his patent or to explain the delay. In the absence of explanation the delay of two years here, becomes unreasonable.

Where the defect appears by the interlocutory decree, the patentee may delay entering a disclaimer if he asserts his right to the excess by appeal from the interlocutory decree. But neither to disclaim nor to appeal leaves the public liable to the continuing assertion of property in an excessive claim during a period, which may run into as much as five years, in which the patentee alone can cause the question of validity of the disputed claims to be brought before the reviewing court.

The appeal statutes have been referred to in the opposing briefs as if the rights thereunder were absolute in all

respects. We contend that the disclaimer statutes are of equal status; and that the right to maintain this action is bottomed on the disclaimer statutes. The appeal statutes do not begin to function until it is shown that the disclaimer statutes have been complied with.

The right to appeal is dependent on the right to maintain the action. The right to maintain the action is dependent on the disclaimer statutes. The right to maintain the action may at any time be lost by forfeiture of the right to amend the patent through unreasonable delay.

So that unless the right to amend is exercised promptly, there is no continuing right to maintain the action, which means there is no absolute continuing right to appeal.

We submit that the entering of a disclaimer in this case was unreasonably delayed and that the case must be dismissed.

POINT II.

The plaintiff takes the position in Point II of his brief that the failure to file the disclaimer has nothing to do with the validity of claims 1, 3, 4 and 5; that it merely relates to costs.

This point was not before any of the courts dealing with any of the cases here for review. It is not properly before this court.

It is submitted, that, on reviewing a case on a writ of certiorari, errors not raised in the courts below will not be considered by the Supreme Court.

The law seems to be fully stated in the case of *Saltonstall* v. *Birtwell*, 164 U. S., 54, 41 L. Ed., 348, 1896, where

Mr. Justice SHIRAS in affirming the Circuit Court of Appeals said:

> "Nor do we consider it incumbent on us to consider whether there was error in the circuit court as a matter of practice, in directing judgment upon the special findings in favor of the importer. No such error was assigned in the circuit court, or was considered in the court of appeals, but it first appeared in the application for the writ of certiorari."

In the case of *New York Dock Co.* v. *The Steamship Poznan,* 274 U. S. 117, 71 L. Ed. 955 (1927), Mr. Justice STONE in refusing to consider questions raised for the first time in the Supreme Court, except to examine them to see that no obvious error was committed by the district court, said:

> "Respondent attempts to raise here questions with respect to the amount of recovery which were neither raised nor considered below. We have examined them only so far as is necessary to ascertain that no error was committed by the district court so plain or apparent as to warrant our consideration on such a state of the record."

For authority, the court cited numerous cases where the cause was before the court on writ of error and appeal, although this case was up on certiorari.

Cases before the court on writ of error or on writ of certiorari are treated alike. This position is sustained by the case of *Federal Trade Commission* v. *Pacific States Paper Trade Association,* and by the very words of the statutes authorizing review by writs of certiorari:

U. S. C. A., Title 28, sec. 347.

"* * * with the same power and authority and with like effect as if the case had been brought there by unrestricted writ of error or appeal."

In *Federal Trade Commission* v. *Pacific States Paper Trade Association*, 273 U. S. 52, 71 L. Ed. 534, 1927, it was held:

"Respondents, notwithstanding their failure to petition for certiorari, now ask for reversal of that part of the decree which leaves in force part of section (e) and sections (g) and (h). This court has the same power and authority as if the case had been carried here by appeal or writ of error. A party who has not sought review by appeal or writ of error will not be heard in an appellate court to question the correctness of the decree of the lower court. This is so well settled that citation is not necessary. The respondents are not entitled as of right to have that part of the decree reviewed."

11 Corpus Juris, 193—Certiorari; Section 343:

"C. Questions or Objections Not Raised Below. The rule applicable to appellate procedure generally, that objections not raised in the lower court cannot be relied on in the appellate court, governs the review on certiorari; and questions not raised below, or alleged erroneous action as to which no objection was made, cannot be presented to, or considered by, the reviewing court. Included within this rule are objections to the competency of witnesses, to the admissibility of evidence, that there was a failure of proof, or that there was a variance between the allegations and the proof. However, an exception to the judgment or decree is not necessary except when expressly required by statute. Where the errors complained of are jurisdictional, they will be considered, although not objected

to in the court below, although the contrary is held in Louisiana."

Consideration of Plaintiff's Point II.

In case this Court should decide to consider this Point II, we submit the following:

As we understand this point it is that, due to a change of language from that of Section 15 of the Patent Act of 1836 to that of Paragraph 4 of the Revised Statutes, Section 4920 (35 U. S. C. A., Section 69), it is now incumbent upon the defendant (under Paragraph 4), in order to sustain this defense, to prove that the patentee is not the inventor of *each and every* material and substantial part of the thing patented.

From this position, assumed without authority, the plaintiff argues (Plaintiff's Brief, p. 16) that a patent is not now void for excessive claiming, as it was under the law prior to the revision of 1872, and that, therefore (Plaintiff's Brief, p. 14), the disclaimer statutes are effective merely to provide the machinery for eliminating, of record, any excess in the claim; and to provide that no costs shall be recovered where the patent has been held invalid as to a substantial part thereof.

The plaintiff relies strongly upon *Sessions* vs. *Romadka* (1892), 145 U. S. 29, for support of this point.

We think it necessary only to read the passage quoted from this case, on page 9 of plaintiff's brief, to find that the holding was related solely to the case where the filing of the disclaimer was delayed *until after the commencement of the suit*. Under the exact language of the statute (Section 4922) this is so. It would seem unnecessary to argue the meaning of this case. It cannot stand for the proposition advanced by plaintiff.

It may be helpful, however, to quote from the decision in *Sessions* vs. *Romadka, supra,* for it does review the law and show that not only is plaintiff in error in his interpretation of the quoted passage, but the Court goes further and holds that there is no intended change in the meaning of these statutes since, in adopting the language of the Act of 1837, the legislature must be considered to have adopted the construction given thereto by the Courts.

Mr. Justice Brown said:

> "The only difficulty connected with the question of disclaimer in this case arises from the final sentence of Section 4917, that 'no such disclaimer shall affect any action pending at the time of its being filed except so far as may relate to the question of unreasonable neglect or delay in filing it.' There is an unfortunate choice of language here which has rendered this sentence very ambiguous and difficult of construction. It was held by Mr Justice Story in Reed *v.* Cutter, 1 Story, 590, 600, that if the disclaimer were filed during the pendency of the suit, the plaintiff would not be entitled to the benefit thereof in that suit—a ruling which had also been made in Wyeth *v.* Stone, 1 Story 273, 294. It was held in Tuck *v.* Bramhill, 6 Blatch. 95, that the provision meant that a suit pending when a disclaimer is filed is not to be affected by such filing, so as to prevent the plaintiff from recovering in it, *unless* it appears that the plaintiff unreasonably neglected or delayed to file the disclaimer. And such was also the ruling of Mr. Justice Nelson in Guyon *v.* Serrell, 1 Blatch. 244, and in Hall *v.* Wiles, 2 Blatch. 194, 198. We think that section 4917 ought to be read in connection with section 4922, providing that the patentee may maintain a suit at law or in equity for the infringement of any part of the thing patented, notwithstanding the specifications may embrace more than that of which the patentee was the first inventor or discoverer; but in every such case in

> which a judgment or decree shall be rendered for the plaintiff, no costs shall be recovered, unless the proper disclaimer has been entered at the Patent Office before the commencement of the suit. This was practically the construction given to corresponding sections of the Act of 1837 by this court in Smith *v.* Nichols, 88 U. S. 112 and of the Revised Statutes in Dunbar *v.* Myers, 94 U. S. 187. Under Section 4922 the effect of delaying a disclaimer *until after the commencement of the suit* goes only to the recovery of costs. We adhere to that construction. Congress having in the Revised Statutes adopted the language used in the Act of 1837 *must be considered to have adopted also the construction given by this court to this sentence, and made it a part of the enactment.*" (Italics ours.)

As will be seen from the foregoing, Mr. Justice Brown refused to accept the decision of Mr. Justice Story in *Reed* v. *Cutter* and in *Wyeth* v. *Stone*. He follows Mr. Justice Blatchford in *Tuck* v. *Bramhill*, wherein this very point is discussed and the conclusion reached that if the disclaimer is made after suit is brought, the plaintiff may recover, but without costs, *provided there has been no unreasonable delay in the filing of the disclaimer*. If there is unreasonable delay in the filing of the disclaimer, it can be set up as a defense to the whole action, and this comes under the last clause of Section 4922, whereas the matter of the denial of costs comes under the preceding provision.

In *Tuck* v. *Bramhill* (C. C., S. D. N. Y., Apr. 14, 1868), 24 Fed. Cas. 259, Mr. Justice Blatchford said:

> "It is provided, indeed, by the 9th section, that 'No person bringing any such suit shall be entitled to the benefit of the provisions contained in this section, who shall have unreasonably neglected or delayed to enter at the patent office a disclaimer, as aforesaid'. *It is*

not pretended, however, that the patentee in this case has been guilty of any such neglect or delay. It is further provided, by the 9th section, that, where the plaintiff recovers under that section, 'he shall not be entitled to recover costs against the defendant, unless he shall have entered at the patent office, *prior to the commencement of the suit*, a disclaimer of all that part of the thing patented which was so claimed without right'. Therefore, the plaintiff can recover no costs in this case.

But it is urged that the provision of section 7, that 'no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing the same', forbids a recovery by the plaintiff in this suit, notwithstanding the provisions of the 9th section. This is not so. It is true that Judge STORY, in Reed *v.* Cutter (Case No. 11,645), says, that if a disclaimer is filed during the pendency of a suit, the plaintiff will not be entitled to the benefit thereof in that suit; and that the same judge in Wyeth *v.* Stone (*Id.* 18,107), says, that the disclaimer mentioned in the 7th section, must be interpreted to apply solely to suits pending when the disclaimer is filed in the patent office, and the disclaimer mentioned in the 9th section to apply solely to suits brought after the disclaimer is so filed, and that the proviso to the 7th section, as to the disclaimer affecting a pending suit, prevents its affecting in any manner whatsoever a suit pending at the time it is filed. But the plaintiff does not need to claim any benefit in this suit from the disclaimer. *He recovers in this suit by virtue of the 9th section, it not appearing that he unreasonably neglected or delayed to enter a disclaimer.* I cannot concur, however, in Judge STORY's view of the provision in the 7th section, as to the disclaimer's affecting a pending suit. I understand that provision to mean, that a suit pend-

ing when the disclaimer is filed, is not to be affected by such filing, so as to prevent the plaintiff from recovering in it, *unless it appears that the plaintiff unreasonably neglected or delayed to file the disclaimer.* The 'unreasonable neglect or delay', mentioned in the 7th section, manifestly refers to the unreasonable neglect or delay mentioned in the 9th section, and the disclaimer mentioned in the 9th section is clearly the disclaimer provided for in the 7th section. Moreover, the provision of the 9th section, that the plaintiff, where he is entitled to recover under that section, shall not recover costs, unless he has entered a disclaimer, prior to the commencement of the suit, of what he claimed without right, is a strong implication, that, where he does not enter the disclaimer until after the commencement of the suit, he may still recover in the suit, *if otherwise entitled to do so*, but without recovering costs. And such has been the view heretofore held by Mr. Justice NELSON, in this court. In Guyon *v.* Serrell (Case No. 5,881), he allowed a recovery, without costs, in a case where a disclaimer was filed after suit brought; and in Hall *v.* Wiles (*Id.* 5,954), he says: 'If the disclaimer was entered in the patent office before the suit was instituted, the plaintiff recovers costs in the usual way, independently of any question of disclaimer. But if, in the progress of the trial, it turns out that a disclaimer ought to have been made as to part of what is claimed, the plaintiff may recover, but will not be entitled to costs.' Of course, it follows, that if a disclaimer is made after suit brought, the plaintiff may still recover, but without costs." (Italics ours.)

In plaintiff's brief, he quotes from *Sessions* v. *Romadka*, and italicizes the language:

"Under section 4922 the effect of delaying a disclaimer until after the commencement of the suit

goes only to the recovery of costs. We adhere to that construction."

The Court had previously said that the two sections must be read together and that the language of Section 4917 ("No such disclaimer shall affect any action pending at the time of its being filed except so far as may relate to the question of unreasonable neglect or delay in filing it") meant that a suit pending when a disclaimer is filed is not to be affected by such filing so as to prevent the plaintiff from a recovery *unless* he has neglected or delayed to file a disclaimer. When Mr. Justice BROWN said, in the excerpt quoted by plaintiff, that he adhered to the construction that "under Section 4922, the effect of delaying a disclaimer until after the commencement of the suit goes only to the recovery of costs", he was emphasizing the delay in filing the disclaimer *until after the commencement of suit.* In other words, if you delay, either reasonably or unreasonably, in the filing of the disclaimer *until after* the commencement of the suit, you cannot recover costs. You can have damages if there is no unreasonable delay. On the other hand, if you unreasonably delay, under section 4917, as well as under section 4922, this fact becomes a defense that can be pleaded to the whole action, and if the defense is sustained, the patentee can recover *neither* damages nor costs.

In the case of *Hall* v. *Wiles*, 2 Blatch. 194; 1 Fish Pat. Rep. 433 (C. C., S. D. N. Y., Apr. 17, 1851), Case No. 5,954, 11 Fed. Cas., p. 280, NELSON, Circuit Justice, said:

> "It is argued by the defendant that, in order to have saved the patent, the patentee should have disclaimed this part of his patent, under the 7th and 9th sections of the Act of March 3, 1837 (5 Stat. 193, 194)

and that, as he has failed to make this disclaimer and to record it, this suit cannot be maintained and the whole patent is void. Though there is some evidence going to show that this contrivance may be new, and may not have been used before, yet, perhaps, the weight of it is that it is useless or could not be operated. I have examined the provisions of the statute, and am of opinion that this suit may be maintained, under the two sections referred to, notwithstanding a disclaimer of the first claim has not been made or recorded; but the plaintiff will not be entitled to costs. The provision in the 9th section, that *no costs* shall be recovered *unless* a *disclaimer* of all that part of the thing patented which is claimed without right, *is entered before the commencement of the suit*, certainly shows that the action may be maintained for other parts of what is patented. If the disclaimer was entered in the patent office before the suit was instituted, the plaintiff recovers costs in the usual way, independently of any question of disclaimer. But if, in the progress of the trial, it turns out that a disclaimer ought to have been made as to part of what is claimed, the plaintiff may recover, but will not be entitled to costs.

"*Another question arises under the 9th section—whether there has been unreasonable negligence or delay in entering a disclaimer. That is a question which goes to the right of action. If the delay shows great negligence, the jury may say that the patent is void.* The provision in question applies only to the case where the part claimed by the patentee, of which he is not the inventor, is a material and substantial part of the thing patented. A disclaimer is necessary, therefore, only where the thing claimed without right is a material and substantial part of the machine invented. The question as to the disclaimer in this case is, therefore, of no importance in the determination of the rights of the parties, unless the slides and springs claimed in

> the first claim are described as a material and essential part of the machine, or unless they were introduced into the description through the wilful default of the plaintiff, or with intent to defraud or mislead the public. If you find that these slides and springs are not essential to the machine, and were not introduced into the patent through such wilful default or intent to defraud or mislead the public, the want of a disclaimer in regard to them affords no ground for invalidating the patent."

The corollary of this is that if the slides and springs are essential, then the want of a disclaimer *does* afford ground for invalidating the patent. As the Court says:

> "That is a question which goes to the right of action. If the delay shows great negligence, the jury may say that the patent is void."

That is to say, in this case it was held that the unreasonable delay might defeat the right to recovery, as well as the right to costs under Section 9 of the Act of 1837.

Mr. Justice BROWN, in *Sessions* v. *Romadka, supra*, held that in adopting the language of Section 9 of the Act of 1837, in the Revised Statutes, Section 4922, Congress had given the construction given to that language theretofore by the Courts. We contend, therefore, that under Section 4922, this case of *Hall* vs. *Wiles* applies and is the law today.

In *Smith* vs. *Nichols*, 88 U. S. 112, 22 L. Ed. 566 (1874), Mr. Justice SWAYNE said:

> "It is objected that the disclaimers having been made after the filing of the complainants' bill, cannot avail him in this case. Upon a fair construction of the 7th and 9th sections of the Act of 1837, we think they could be made as well after as before the commencement of the suit. It would in such case be the duty

> of the court to see that the defendant was not injuriously surprised, and to impose such terms as right and justice might require. *The question of unreasonable delay would be open for the consideration of the court,* and the complainant could recover no costs. We see no reason for turning a party out of court to renew the litigation after filing the disclaimer, thus subjecting both parties to the delay and expense which must necessarily follow, and without any benefit to either. We cannot believe such to have been the intention of Congress. Tuck *v.* Bramhill, 6 Blatch. 104; Silsby *v.* Foote, 14 How. 220; Aikin *v.* Dolan, 3 Fish. 197; Taylor *v.* Archer, 8 Blatch. 315; Guyon *v.* Serrell, 1 Blatch. 244; Hall *v.* Wiles, 2 Blatch. 194." (Italics ours.)

It seems to us that the court is here saying that where the disclaimer is not filed before suit, no costs shall be recovered, and that, in addition, there would be open for the consideration of the court, the question of unreasonable delay. If it appears at any time during the trial that there has been unreasonable delay in filing a disclaimer, the plaintiff has lost the right to amend his patent; it is wholly void. And there is no right to further prosecute the suit. (See discussion of *Minerals Separation* vs. *Butte*, 250 U. S., this Brief, page 39.)

Plaintiff quotes (Plaintiff's Brief pp. 9-10) from the case of *Hailes* vs. *Albany* (1887), 123 U. S. 582, and we adopt this quotation as our own. Referring to the two sections of the disclaimer statute (Rev. Stat. 4917 and 4922), Mr. Justice Bradley says:

> "One section authorizes a disclaimer to be filed in certain cases; the other enables patentees to maintain suits in those cases, provided a disclaimer is filed without unreasonable delay."

The Court then goes on to say that these sections enable one to obviate the hardships of the common law

> "which made a patent *wholly void if any part of the invention was wrongfully claimed* by the patentee, and which made such a defect in a patent an effectual bar to a suit brought upon it."

There is no suggestion here that one could obviate the hardships of the common law except by compliance with the disclaimer statutes referred to. According to Mr. Justice BRADLEY, one of the sections (Section 4922) enabled patentees to maintain suits in such cases as are described in the other section (Section 4917) provided a disclaimer is filed without unreasonable delay. The conclusion is unescapable that if the disclaimer is not so filed, the hardships of the common law still prevail, and the quoted defect is still an effectual bar to a suit brought upon the patent.

In this connection, Robinson says (*Robinson on Patents*, Vol. 2, Sec. 651, p. 291):

> "The act of 1837 * * * enacted that the plaintiff claiming under such a patent should be entitled to maintain his suit * * * *if the right to amend the patent by disclaimer had not been already forfeited by an unreasonable delay* * * *." (Italics ours.)

But, says plaintiff: The law has been changed. It is *now* necessary for defendant, in order to sustain the defense of paragraph 4, Section 4920, to prove that no single part of the thing patented was the act of the patentee, and that, therefore, there is no such thing as excessive claiming in the patent law today. Plaintiff cites no authority for this position, but relies upon argument based upon the change in language in Paragraph 4, Rev. Stat., Section 4920.

The language of Section 15 of the Act of 1836 is:

> "That the defendant * * * shall be permitted * * * to give * * * any special matter in evidence tending to prove * * * that the patentee was not the original and first inventor or discoverer of the thing patented, *or of a* substantial and material part thereof claimed as new, * * *."

Revised Statutes, Section 4920 (U. S. C. A., Section 69, Title 35) provides that

> "* * * the defendant may plead, * * * and, having given notice, * * * may prove on trial * * *"
>
> "Fourth. That he (the patentee) was not the original and first inventor or discoverer *of any* material or substantial part of the thing patented." (Italics ours.)

It would seem to be the contention of plaintiff that from this change in language and from the fact that the American courts early adopted the contract theory of patent, the defect of excessive claiming is wiped out of our patent system, and that under Section 4920, Par. 4, the defendant must prove in order to sustain that defense that the plaintiff did not invent any single part of the claimed invention.

Plaintiff refers (Plaintiff's Brief, p. 19) to Robinson on Patents, Vol. 1, p. 60, Sec. 41 (Ed. 1890) as supporting this view. We see no such support. On the contrary.

In Section 42, Robinson says:

> "* * * the obligation of the inventor * * * is two-fold:
>
> (1) The result of his inventive skill must be of such nature that a patent may lawfully be granted to protect it;

(2) The invention itself must be fully communicated to the public. Of these two obligations the latter is practically the most important."

Again, in the same section, on p. 63, he says:

"Through the whole body of the law runs the same principle that the real consideration given to the public for the patent privilege is not the skill of the inventor in inventing, but his honesty and thoroughness in making his discovery known."

It would seem to be clear that the contract theory, far from relieving the patentee of the necessity of accurate disclosure and claim, and of the disastrous effect of excessive claiming, actually stresses his obligation to the greatest accuracy and thoroughness in disclosure and claims.

If by accident or mistake, the patentee claims too much, he should be allowed to withdraw the excess. But always in accordance with law. If he does not disclaim the excess in accordance with law, his contract is void. *Robinson on Patents*, Vol. 2, Sec. 651, p. 290.

Unless the plaintiff can spell some change in this policy out of the change in language in Paragraph Fourth of Section 4922, there would seem to be no such different policy.

The language in Section 15 of Act of 1836 is

"* * * of the thing patented *or of a* substantial and material part thereof claimed as new."

Paragraph 4, Section 69, Title 35:

"* * * *of any* material and substantial part of the thing patented."

It should be noted in this connection that the language of Section 9 of Act of 1837 (first disclaimer statute), relating to the excess, was "of any material or substantial part of the thing patented". And the same language is retained in Revised Statute Section 4922.

Paraphrasing Section 15, Act of 1836, it provides:

> that the defendant shall be permitted, on notice, to plead and put in evidence any special matter tending to prove that the patentee was not the original and first inventor of the thing patented, or of a substantial and material part thereof claimed as new.

This, it seems to us, means that the defense is made out if it is shown that the patentee was not the inventor of any one of several material parts of the thing patented.

Section 4922, likewise paraphrased, provides:

> that the defendant, on notice, may plead and prove that the patentee was not the inventor of any material part of the thing patented.

This likewise means that the defense is satisfied if it is shown that any one of several material parts of the thing patented was not the invention of the plaintiff.

Certainly there is no direct authority quoted by plaintiff to the contrary. And courts are daily holding, under the present law, that once a claim is definitely found to be invalid, there is the necessity of prompt disclaimer; otherwise the plaintiff is without the right to maintain his suit.

In the case of *Minerals Separation* vs. *Butte* (250 U. S. 353) the respondents contended that

> "* * * the disclaimer filed by the petitioners with respect to the three claims held invalid by the decision of this court in the former case was so delayed and is so evasive in form that it is invalid, and that, for this

reason, the petitioners should not be permitted to *further prosecute* this suit, under the provisions of Rev. Stat. Secs. 4917, 4922, Comp. Stat. 1916, Secs. 9462, 9468, 7 Fed. Stat. Anno. 2d ed., pp. 231, 372." (Italics ours.)

The Court said:

"The decision holding the three claims invalid was rendered on December 11th, 1916, and the disclaimer was recorded on the 28th day of March, 1917. Having regard to the fact that the owners of the patent in suit resided in a foreign country, and to the war-time conditions of communication then prevailing, the entry required by law was not 'unreasonably neglected or delayed'. While the wording of the disclaimer borders on finesse, we do not think it can be interpreted as giving any rights under the patent greater than may be legitimately obtained under the claims held valid, and we therefore deem it sufficient to meet the requirements of the statutes cited."

It will be seen that this was a direct attack, based on the disclaimer statutes, on the right to *further prosecute* the Butte suit. This Court, in this case, apparently considered that if the delay was unreasonable, it would defeat the right to further prosecute the suit. Consequently, it examined into the reasonableness of the delay and came to the conclusion that it was not unreasonable. This decision was rendered in 1919, and is quite consistent with every case examined by defendant's counsel including all those cited in the opposing briefs. The reasonableness of the delay goes to the right to maintain the action, and it is always open to the consideration of the Court.

In view of the statement of the Court in *Sessions* vs. *Romadka* that the Congress must be considered to have

adopted the construction put on the language of the earlier statutes by the Courts, in re-enacting that language in the Revised Statutes, and in the absence of some direct authority to the contrary, we submit that this Point II is not well taken, even if properly before the Court.

The decree of the Court below should be affirmed.

Respectfully submitted,

JOHN F. NEARY,
HARRY S. BANDLER,
RAMSEY HOGUET,
DANIEL L. MORRIS,
Of Counsel for
Simon Ascher & Co., Inc.

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CHARLES ELMORE CR

Supreme Court of the United States.

OCTOBER TERM, 1930.

No. 46.

LOUIS H. ENSTEN AND LION KNITTING MILLS COMPANY,
Petitioners.

vs.

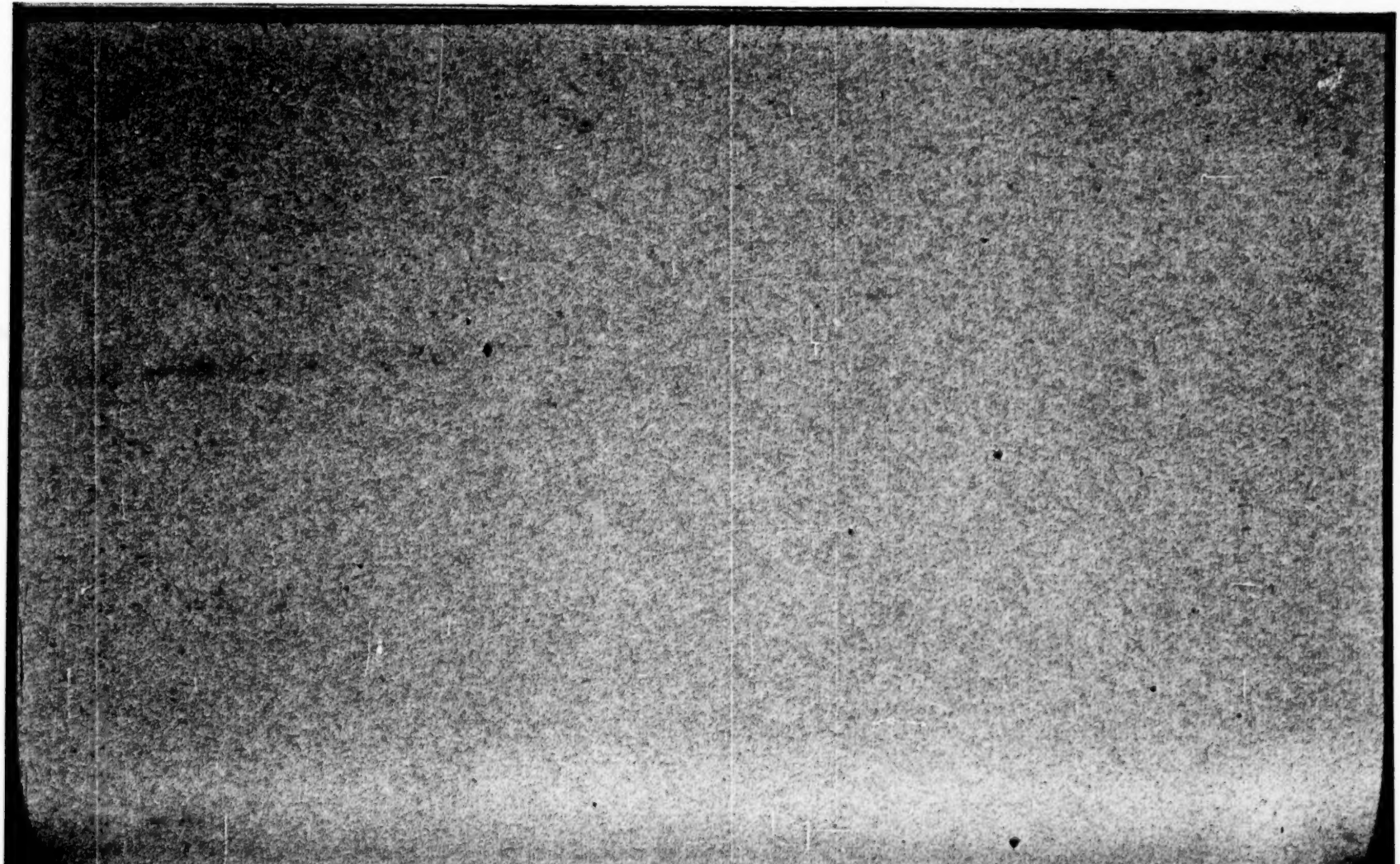
SIMON ASCHER & CO., INC.,
Respondent.

MOTION AND BRIEF AS AMICUS CURIAE BY EXCELSIOR STEEL FURNACE COMPANY.

BENJAMIN P. ROODHOUSE,
JAMES A. BROWN,
CHARLES NEAVE,
Of Counsel for
EXCELSIOR STEEL FURNACE CO.

NOVEMBER, 1930.

The Evening Post Job Printing Office, Inc., 134 Fulton St., New York, N. Y.



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Supreme Court of the United States,

OCTOBER TERM—1930.

No. 46.

LOUIS H. ENSTEN & LION KNITTING MILLS COMPANY,
Petitioners,

AGAINST

SIMON ASCHER & CO., INC.,
Respondent.

MOTION BY EXCELSIOR STEEL FURNACE COMPANY FOR LEAVE TO FILE BRIEF AS AMICUS CURIÆ.

MAY IT PLEASE THE COURT:

The undersigned, as counsel for Excelsior Steel Furnace Company, respectfully move this Court for leave to file the accompanying brief as *amicus curiæ*.

BENJAMIN F. ROODHOUSE,
JOHN A. BROWN,
CHARLES NEAVE,
Counsel for
Excelsior Steel Furnace Company
as *amicus curiæ*.

Assented to:

O. ELLERY EDWARDS,
Counsel for Petitioners.

JOHN F. NEARY,
Counsel for Respondent.

SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM—1930.

No. 46.

LOUIS H. ENSTEN & LION KNITTING MILLS COMPANY,
Petitioners,

AGAINST

SIMON ASCHER & CO., INC.,
Respondent.

BRIEF FOR EXCELSIOR STEEL FURNACE COMPANY AS AMICUS CURIÆ.

In the present case, the Court of Appeals for the *Second* Circuit has held that where a claim of a United States patent is held to be invalid by the *interlocutory* decree of a District Court, the patentee is guilty of unreasonable delay unless he either appeals from such decree, or promptly files a disclaimer of the claim held invalid (38 F. (2d) 741).

In the case of *Excelsior Steel Furnace Co.* vs. *F. Meyer & Brother Co.*, the Court of Appeals for the *Seventh* Circuit held (36 F. (2d) 447, 449):

> "We think that in no case would a court be justified in finding that a patentee unreasonably delayed the filing of a disclaimer until after the expiration of the statutory period within which he might further litigate the question of the validity of the contested claims. * * * Appellant could, under the interlocutory decree, proceed with its hearing before the Master, and, after final

> decree was entered, appeal to this Court, and later apply to the Supreme Court, at which time it could attack that part of the decree which held its claims 1 and 2 invalid. Until then, the holder of a patent cannot be said to have unreasonably neglected or delayed to enter a disclaimer."

Speaking of its own decision, the *Second* Circuit Court of Appeals said (78 F. (2d) 72):

> "This decision appears to be in direct conflict with the principle upon which a decision of the Seventh Circuit has very recently been handed down. *Excelsior Steel Furnace Co.* vs. *F. Meyer & Brother Co.* (C. C. A.) 36 Fed., 2nd, 447."

The Excelsior Steel Furnace Co. which has requested leave to file this brief as *amicus curiæ*, was the plaintiff in the Seventh Circuit suit. It believes that the decision of the Seventh Circuit Court was correct. It has gone to much trouble and expense in litigating that suit. In addition to the patent there involved, it is the owner of a large number of other patents, some of which have been infringed and over which litigation is almost certain to arise in the near future. While it believes that all of the claims of these patents are valid, it is always possible that one or more may be construed so broadly as to be invalid. In such case it is essential, to avoid the loss of valuable rights, that it know when and under what circumstances a disclaimer should be filed. The Excelsior Company was met with a very similar situation and forced to the expense of a rehearing, on the point of unreasonable delay in filing a disclaimer, in its earlier action against Williamson Heater Co. on another patent (269 Fed. Rep. 614; C. C. A. 6). The question is not only of great importance to the Excelsior Company, but also to many other litigants and to the public at large. The Excelsior Company has, therefore, asked leave to submit this brief, presenting its argument supporting the decision of the Seventh Circuit Court of Appeals.

The Disclaimer Statutes.

The disclaimer statutes involved are Sections 4917 and 4922 of the Revised Statutes (U. S. Code, Title 35, Sections 65 and 71, respectively). The first specifies the conditions under which a disclaimer may be filed and the character, disposition, and effect thereof. The second provides that, although a patentee may have claimed in his patent to be the inventor "of any material or substantial part of the thing patented, of which he was not the original and first inventor," a suit on his patent may still be maintained, provided a proper disclaimer is filed, but

> "no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer."

Speaking of these statutes, this Court in *Hailes* v. *Albany Stove Co.*, 123 U. S. 582, in passing on a patent granted under the law of 1836, said:

> "They are parts of one law, having one general purpose; and that purpose is to obviate the inconvenience and hardship of the common law, which made a patent wholly void if any part of the invention was wrongfully claimed by the patentee, and which made such a defect in a patent an effectual bar to a suit brought upon it."

In *O'Reilly* v. *Morse*, 15 How. 62, the Court also said:

> "The law which requires and permits him (a patentee) to disclaim is not penal but remedial. It is intended for the protection of the patentee as well as the public, and ought not, therefore, to receive a construction that would restrict its operation within narrower limits than its words fairly import."

And, in *Sessions* v. *Romadka*, 145 U. S. 29:

> "The power to disclaim is a beneficial one and ought not to be denied except where it is resorted to for fraudulent and deceptive purposes."

Thus, the Statutes provide that, in case the patent owner has inadvertently claimed more than he was justly entitled to—*i. e.*, has an invalid claim in his patent—he may prevent the whole patent from being void by entering a proper disclaimer, *provided* he does so without unreasonable neglect or delay.

If a disclaimer is required because a claim is invalid, the question is: When, how, and by whom is its invalidity to be determined before an obligation to disclaim arises?

Argument.

Let us assume that a District Court enters a decree to the effect that certain claims of a patent are valid and infringed (an injunction and an accounting being ordered with reference to them) and that certain other claims are invalid as being for something of which the patentee was not the original and first inventor.

Under the statutes and practice relating to the trial of patent causes, what courses are open to the plaintiff to obtain a final determination of the question of validity of the claims held to be invalid?

FIRST: The plaintiff may (a) appeal from the *interlocutory* decree holding those claims invalid and, if unsuccessful on appeal, may (b) apply to this Court for a writ of *certiorari*.

Formerly, the plaintiff could not thus appeal at this stage of the case. But, by USCA, Title 28, Section 227, "an appeal *may* be taken from such interlocutory order or decree to the circuit court of appeals". Note that this is permissive only; it does not require that the appeal shall be taken then if any review is ever to be had. And the word "may" in a statute is never to be construed as mandatory except when

necessary to give effect to the clear meaning (*Thompson* v. *Roe*, 22 How. 422) which is not the situation here.

SECOND: The plaintiff may permit the defendant's appeal, if any, and the accounting, under the claims held valid and infringed, to proceed and a final decree to be entered and may (a) appeal from the *final* decree and, if unsuccessful on appeal, may (b) apply to this Court for a writ of *certiorari*.

Such appeal from a final decree is provided for in USCA, Title 28, Section 225. That appeal is a matter of right (*ex parte Jordan*, 94 U. S., 248).

THIRD: Irrespective of which of the foregoing courses is followed, the plaintiff may bring a suit on the same patent in another Circuit, or prosecute such a suit then pending. If the decision of the Circuit Court of Appeals of that Circuit is that the claims are valid, so that there is a conflict of decision as between two Circuit Courts of Appeals, the plaintiff may apply to this Court for a writ of *certiorari* in the first case, in which the claims were held invalid, provided that the time limited for such application has not then elapsed.

Those being the courses open to a plaintiff, under the provisions of the Statutes, do the disclaimer Statutes require that a plaintiff shall adopt one course rather than another? Do they deprive a plaintiff of the statutory right to appeal from a final decree?

The Circuit Court of Appeals of the Second Circuit has so held.

It seems to us that the fallacy underlying that holding is that it treats the disclaimer Statutes as requiring the utmost diligence in ascertaining whether the claims are invalid, instead of as requiring (as they do) diligence only *after* it has been finally established that the claims *are* invalid. That is, the basis of the holding is that the patent owner is a quasi trustee for the public and owes to it a duty to have validity or invalidity finally determined promptly.

Such a theory was emphatically rejected by this Court in

United States v. *American Bell Telephone Company*, 167 U. S. 224, as follows:

> "Counsel seems to argue that one who has made an invention and thereupon applies for a patent therefor, occupies, as it were, a position of quasi trustee for the public; that he is under a sort of moral obligation to see that the public acquires the free use of that invention as soon as it is conveniently possible. We dissent entirely from the thought thus urged."

In that case, the Court further held:

> "Neither can a party pursuing a strictly legal remedy be adjudged in the wrong if he acts within the time allowed, and pursues the method prescribed by the statute. * * * IF HE HAS TWO YEARS AFTER A JUDGMENT AGAINST HIM WITHIN WHICH TO TAKE AN APPEAL HE MAY WAIT UNTIL THE LAST DAY OF THE TWO YEARS. * * * The Statute has given this right, and no consideration of public benefit can take it from him. His right exists because Congress has declared that it should. * * * A party seeking a right under the patent statutes may avail himself of all their provisions, and the courts may not deny him the benefit of a single one. These are questions, not of natural, but of purely statutory, right. * * * If the public is interested in prompt action, if the Government which represents the public thinks that more speed on the part of any of its tribunals is essential, it is the Government which is called upon to act, and the applicant may with propriety wait until either the tribunal has acted or until the Government, having regard for the public interest, has interfered to compel action. * * * As the lawmaking power has prescribed what the public will give, specified the terms and conditions of purchase, indicated the time and methods of determining the right of compensation, he on his part has an absolute legal right to avail himself of the provisions thus made. (Emphasis added.)

A more recent case to the same effect is *Overland Motor Co.* v. *Packard Motor Car Co. et al.*, 274 U. S. 417.

Clearly, the plaintiff owes no duty to the public to proceed otherwise than as the Statutes give him the right to

proceed; so long as the Statutes give him the choice as between two courses of appeal, he is free to exercise that choice. And, clearly, the disclaimer Statutes do not and cannot deprive him of that right. They do not purport to do so. They become effective only *after* the invalidity of the claims has been determined in any one of the ways in which the plaintiff is free to proceed to have that question finally determined.

That no laches can be imputed to a plaintiff because he does not appeal from an interlocutory decree should be clear from the decision in *John Simmons Co.* v. *Grier Brothers Co.*, 258 U. S. 82, 91. There the Court held that there could be no laches in omitting to make application for *certiorari* after an interlocutory decision by a Circuit Court of Appeals holding a claim of a patent to be invalid, saying:

> "* * * They simply accepted an adverse decision as to a part of their suit, not open to further appeal at their instance, and proceeded in the orderly mode to pursue their suit as to the rest. *They were not guilty of laches for omitting at that stage to make application to this court for allowance of a writ of certiorari.* That mode of review is not a right of a party, but lies in this court's discretion; peradventure the very fact that a final decree had not yet been entered might have been deemed a sufficient ground for refusing the writ." (Emphasis added)

In the last sentence of this quotation is found a reason why a plaintiff might well not wish to appeal from the interlocutory decree holding certain claims invalid. If he does, and loses on appeal, "the very fact that a final decree had not yet been entered might have been deemed a sufficient ground for refusing the writ" of *certiorari*.

In the present case, the Court of Appeals of the Second Circuit stated that further consideration of the matter by it was foreclosed by its previous decision in *Hoe & Co.* v. *Goss Printing Co.* 31 F. (2d) 565. In that case the Court stated that it was argued that even after the decision on appeal from an interlocutory decree and even after denial

of a writ of *certiorari* to review that decision, the plaintiff need not disclaim and

> "that the Circuit Court of Appeals of another circuit might disagree with our ruling, and the Supreme Court would then take the case on certiorari and might declare the claims valid. A disclaimer would merely destroy this right, though the defendant is protected forever by its decree, and really has no interest in the disclaimer at all. While we acknowledge the difficulty and the possibility it appears to us that so to extend the patentee's time might result in avoiding the statute altogether. The patentee may not sue again, or, if he does, the result may be the same. It does not follow, because two Circuit Courts of Appeals have held the same way, that a third will not disagree. Must the patentee disclaim at the conclusion of the second suit, or may he wait until all nine circuits have passed upon his claims? The question is at best of seasonable action, and in practice there must be some end, short of exhausting all conceivable remedies. When the patent has once passed through all the courts then available, the statute should have its effect; else the putatively invalid claims may remain as scarecrows, preserved against the bare possibility that at some future time they may come to life."

If this were the law it would have been destructive of the patent in *Abercrombie & Fitch Co.* v. *Baldwin*, 245 U. S. 198. It appears that the Court of Appeals for the Third Circuit held the claim invalid on an appeal from an interlocutory decree, and it was not until ten months later that the second Court, namely, the Circuit Court of Appeals for the Second Circuit, held the claim valid. According to the doctrine of the Second Circuit in the instant case, the patentee in the *Abercrombie* case, to save the rest of his patent, should have immediately disclaimed upon the rendering of the decision by the Third Circuit. But if the patentee had done so, his right to litigate the claim in the other suit, and his right to apply to this Court for the writ which was eventually granted would, by such disclaimer, have been

forfeited, with the result that the patentee would have relinquished a claim which this Court eventually held valid.

The Court of Appeals of the Second Circuit, in its decision in the *Hoe* case from which we have quoted, imagines difficulties which should not exist. It says that "the patentee may not sue again" in another circuit. Our view is that, if he does not, he should file a disclaimer.

That is, we conceive the law to be that, so long as a plaintiff is, in one or a series of cases, in good faith prosecuting his litigation along one or another of the lines which the Statutes permit him to follow in order to obtain a final determination as to the validity of his claims, the question of filing a disclaimer does not even arise. If the continuity of his effort once is broken—if he does "not sue again", to use the words of the Court of Appeals—the final adjudication has been reached. *Then* disclaimer statutes *begin* to operate. He must then be diligent in disclaiming, if he desires any benefit from the disclaimer statutes.

Such a conclusion would be entirely in harmony with *Silsby* v. *Foote*, 61 U. S. 378; this Court said:

> "The Saxton stove was produced on the trial of the feigned issues, after this suit had been commenced, and *the question has been in controversy from thence to the present time*, whether or not the arrangement, construction and use of that stove, had the effect to disprove the first claim in the complainant's patent. It would be going too far, therefore, under these circumstances, to hold that the delay in entering the disclaimer was unreasonable within the meaning of the Statute. A majority of the court is of opinion the delay has not been unreasonable within the meaning of the Act, so as to defeat the recovery."

But the Circuit Court of Appeals asks, in the *Hoe* case, whether the plaintiff may "wait until all nine circuits have passed upon his claims?" It is not conceivable that a plaintiff would bring so many suits after repeated failures. But, if he did, the question would then be as to whether he was prosecuting the litigation in good faith. If it should, for

some now unimaginable reason, be held that he was, the disclaimer should await the result. If it were held that such prosecution was not in good faith, it should be held that a final adjudication had been reached, and that the disclaimer statutes came into effect.

The disclaimer statutes were enacted at a time when there were no Circuit Courts of Appeals; the appeal was direct to the Supreme Court. If the Second Circuit Court of Appeals was right in finding, in the *Hoe* case, some embarrassment growing out of the fact that nine appellate courts now exist, that affords no reason for adopting any new construction of the disclaimer statutes. It merely raises the question as to the advisability of new legislation modifying those statutes.

Respectfully submitted,

BENJAMIN F. ROODHOUSE,
JOHN A. BROWN,
CHARLES NEAVE,
of counsel for
Excelsior Steel Furnace Company
as *amicus curiæ*.

FILE COPY

In the Supreme Court of the United States

OCTOBER TERM, 1930.

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THE LION KNITTING MILLS COMPANY,
Petitioners,

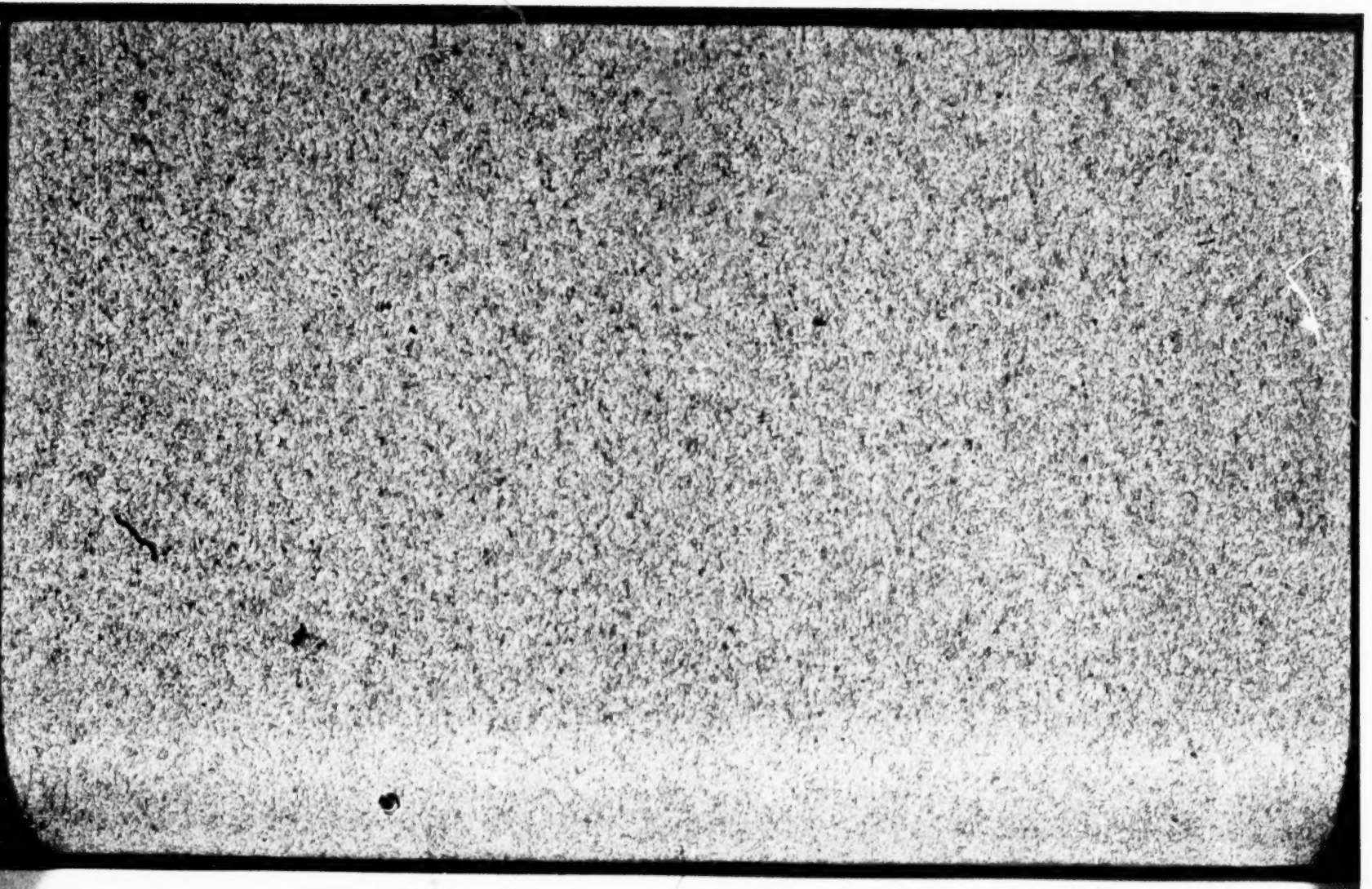
VS.

SIMON ASCHER AND COMPANY, INC.,
Respondent.

PETITION FOR REHEARING.

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THE GATES LEGAL PUBLISHING CO., CLEVELAND, O.



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Respondent.

PETITION FOR REHEARING.

Now come the petitioners by their counsel and pray a rehearing of this cause for the following

GROUNDS:

The Statute (R. S. 4922) provides merely that

> "no one shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer. (R. S. Sec. 4922)."

(1) Petitioners submit that the word "disclaimer" in this section is not limited to the particular kind of "disclaimer" specified in R. S. 4917, but also includes limitation by *reissue* according to R. S. 4916. (U. S. C. Title 35, Sec. 64, see Appendix.)

(2) Petitioners also submit that the right of interlocutory appeal from a decree refusing an injunction

granted by the Judicial Code (Sec. 129) was additional to the right of appeal from final decree and was not intended as a substitute therefor.

(3) Petitioners submit that the Court should not, in the absence of testimony, ascribe an evil significance to the patentee's course, seeing that a good and lawful significance can equally be ascribed thereto.

ARGUMENT.

(1) Two questions are raised, viz.: what is "reasonable" and what is a "disclaimer," as these words are used in R. S. 4922. "Reasonable" is so well and broadly defined in law that explanation to this Court would be impertinent; but the word "disclaimer" has, perhaps, not received full consideration, particularly in its relation to the word "reasonable" in this statute.

The law provides two means whereby a patentee, who has made too broad a claim, may restrict the same to that which was really and truly his own, viz.: by that process known as a "disclaimer," provided by R. S. 4917, and also by that process known as a "reissue"* provided by R. S. 4916. (Sec. 64, U. S. C.) One difference is that when a claim is "disclaimed" it is struck out bodily, whereas by "reissue" it is possible, instead of striking it out, to amend or limit it only to the extent necessary to render it valid, thus causing it to yield continued protection while still restricting it within that scope which the patentee was entitled to claim as new. Another difference is that, through-

---

*(N. B.—The reissue statute was changed in this regard by Act of May 24, 1928, C. 730, 45 Stat. 732. This section, both before and after the Amendment, is copied in the appendix hereto.)

out the time this suit was pending in the District Court, a "disclaimer" (under R. S. 4917) could be filed at any time without ousting jurisdiction, but a reissue (under R. S. 4916), while having the same purging effect on the patent, would have ousted the jurisdiction and hence cost the patentee his entire recovery.

Now it will be seen by inspection of claim 2 (which the District Court held invalid) that it was very much broader than any of the other claims of the Ensten Patent in suit, and that it could be restricted so as to be rendered valid without causing it to duplicate any other claim. The Court held it too broad and Ensten may be considered to have acquiesced in that holding, at least his present counsel does; but unless this Court is prepared to hold that the word "disclaimer," occurring at the very end of R. S. 4922 refers solely to that type of "disclaimer" provided by R. S. 4917 and excludes that other kind of disclaimer, known as "reissue" provided by R. S. 4916, then Ensten was acting "reasonably" in awaiting the entry of a final decree so as to enable him to take advantage of the reissue statute to reform his claim instead of amputating it. If, on the other hand, the Court holds that the "disclaimer" mentioned in R. S. 4922 is only to be satisfied by the procedure of R. S. 4917 and not by that of R. S. 4916, the next question is:

(2) Whether the effect of the Judicial Code in permitting an interlocutory appeal in a case denying an injunction was intended to take away the right of appeal from the final decree which was the customary and invariable appeal according to the history of equity jurisprudence. In other words was the interlocutory appeal intended by Congress as a *substitute for* or an *addition to* the final appeal? It is submitted that the Court's holding is likely to entail difficulty in the future on this ground, but the petitioners' main point is that Ensten had an equal

right, under the law, to restrict his patent by reissue under R. S. 4916 as by "disclaimer" under R. S. 4917, and the law did not compel him to sacrifice his accounting and his recoveries to accomplish this, but he was justified in awaiting the entry of final decree.

This in turn raises certain points which petitioners must answer, but which are, it is submitted, subsidiary to the main point, viz.:

(a) Ensten did not, in fact, wait until final hearing and then reissue his patent, but instead, in April, 1924, filed a disclaimer under R. S. 4917. *Answer:* Ensten must have changed his mind and filed his disclaimer *earlier* than he need have done, rather than later. He ought not to be penalized of his property for doing this.

(b) Ensten had held out his patent for over two years while containing an invalid claim. *Answer:* during all this time he was diligently trying to conclude this litigation and secure his money, and Judicial Code Title 35, Sec. 70 (see footnote) which requires notice of the pendency and outcome of all patent litigation to be given to the Commissioner of Patents and by him recorded in the file history of the patent itself, prevents any misleading of the public, and was adopted for this very purpose.

(c) The record of the case contains no factual proof of Ensten's intent to reissue: *Answer:* reliable

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"Within one month after the decision is rendered or a decree issued the Clerk of the Court shall give notice thereof to the Commissioner of Patents, and it shall be the duty of the Commissioner of Patents on receipt of such notice forthwith to endorse the same upon the file wrapper of the said patent or patents and to incorporate the same as to part of the contents of said file or file wrapper."

(Title 35, Section 70 of the U. S. Code, as enacted June 28, and approved June 30, 1926, is copied in full in the appendix.)

testimony of intention is difficult at the best, but if it be considered that Ensten had *a legal right* to a reissue as against a disclaimer, there is no need of testimony as to his *intent* to avail himself thereof. Likewise there is no necessity as a matter of law to ascribe his acts to any sinister purpose when they can equally be ascribed to a lawful purpose. And Ensten needs no testimony to prove his innocence seeing that the record contains no testimony imputing any attempt or intent to misrepresent his patent to the public.

(3) At the very least we have here a meritorious patent which has been held valid and infringed by District and Appellate Courts. The question of what course is or is not "reasonable" in respect of a disclaimer is not merely a question of law but also of fact, and this patent should not be declared unenforceable and the patentee's investment destroyed merely because of a delay in filing reissue which was justified by the statute. And, in the absence of testimony, it is submitted there is no justification in law for ascribing any evil significance to his act in shifting to the other statute prior to the time when a reissue application could have been filed.

Was the patentee in error in not notifying the District Court of his intention to reissue? Apparently that would have saved the present difficulty, though no statute makes any provision for such act. In any event we have here the first case of this kind which has ever arisen, the patentee's course was in accordance with R. S. 4916 and not morally unreasonable, and he should not, in the absence of precedent or warning, be penalized by the loss of his property for merely changing his mind and shifting to the adjacent section of the statute.

Will the Honorable Court, therefore, hear this petition and explanation of the petitioners and grant them a rehearing?

Very respectfully,

HAROLD ELNO SMITH,

Attorney for Petitioners.

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay and that I verily believe the same ought justly to be granted.

HAROLD ELNO SMITH.

APPENDIX.

R. S. 4916 (U. S. C. Tit. 35—Sec. 64) Prior to May 24, 1928:

"64. REISSUE OF DEFECTIVE PATENTS; PATENTS FOR SEPARATE PARTS. Whenever any patent is inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the commissioner shall, on the surrender of such patent and the payment of the duty required by law, cause a new patent for the same invention, and in accordance with the corrected specification, to be issued to the patentee, or, in the case of his death or of an assignment of the whole or any undivided part of the original patent, then to his executors, administrators, or assigns, for the unexpired part of the term of the original patent. Such surrender shall take effect upon the issue of the amended patent. The commissioner may, in his discretion, cause several patents to be issued for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued letters patent. The specifications and claim in every such case shall be subject to revision and restriction in the same manner as original applications are. Every patent so reissued, together with the corrected specification shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specification nor in case of a machine patent shall the model or drawings be amended, except each by the other; but when there is neither model nor drawing, amendments may be made upon proof satisfactory to the commissioner that such new matter or amendment was a part of the original invention, and was omitted from the specification by inadvertence, accident, or mistake, as aforesaid."

R. S. 4916 (U. S. C. Tit. 35, Sec. 64) as amended May 24, 1928, (C. 730, 45 Stat. 735):

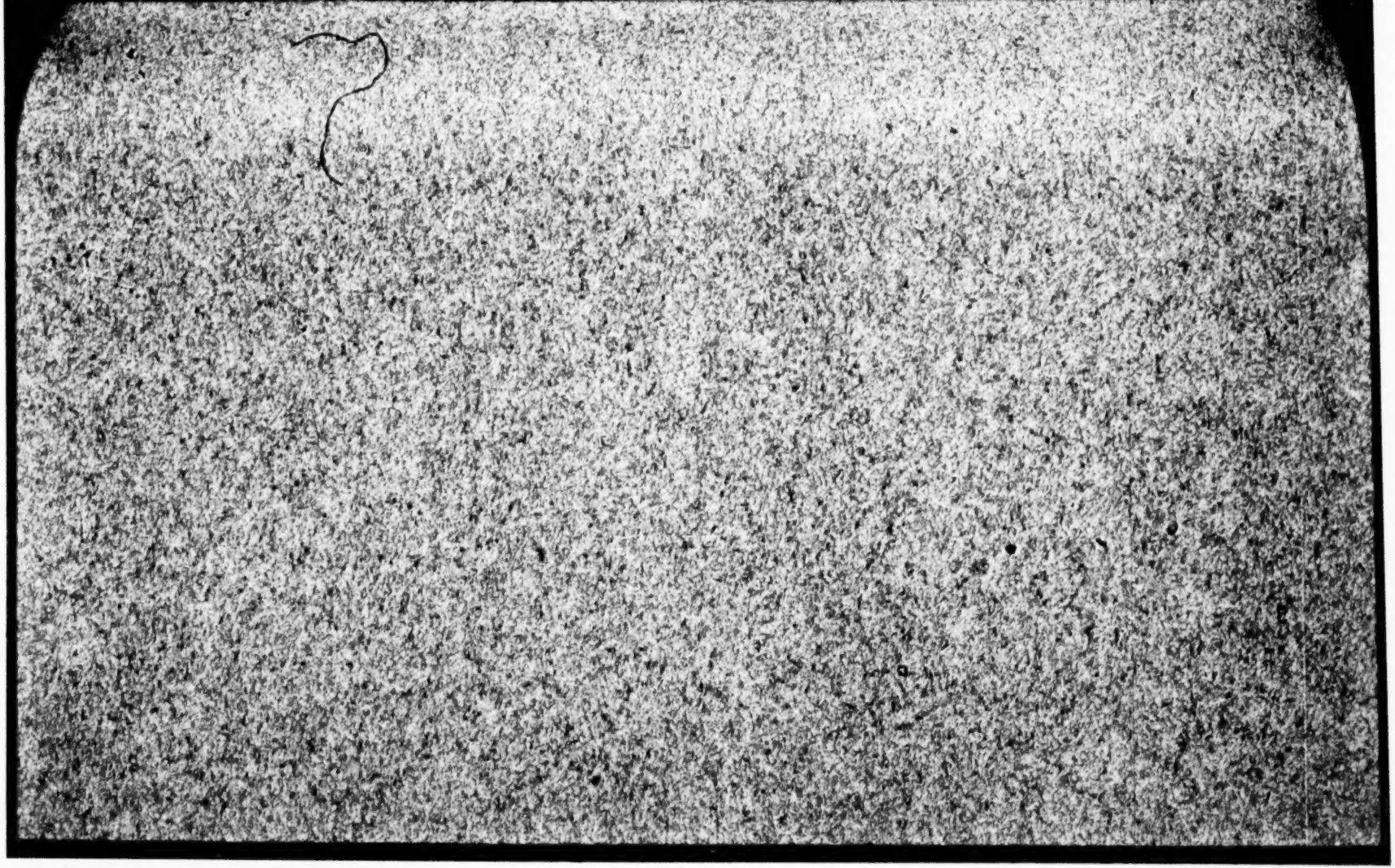
"64. REISSUE OF DEFECTIVE PATENTS; PATENTS FOR SEPARATE PARTS. Whenever any patent is *wholly or partly* inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the commissioner shall on the surrender of such patent and the payment of the duty required by law, cause a patent for the same invention, and in accordance with the corrected specification, to be *re*issued to the patentee *or to his assigns or legal representatives* for the unexpired part of the term of the original patent. Such surrender shall take effect upon the issue of the *reissued* patent, *but in so far as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent to the extent that its claims are identical with the original patent shall constitute a continuation thereof and have effect continuously from the date of the original patent.* The commissioner may, in his discretion, cause several patents to be issued for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued letters patent. The specifications and claims in every such case shall be subject to revision and restriction in the same manner as original applications are. Every patent so reissued, together with the corrected specifications, shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specification, nor in case of a machine patent shall the model or drawings be amended, except each by the other; but when there is neither model nor drawing, amendments may

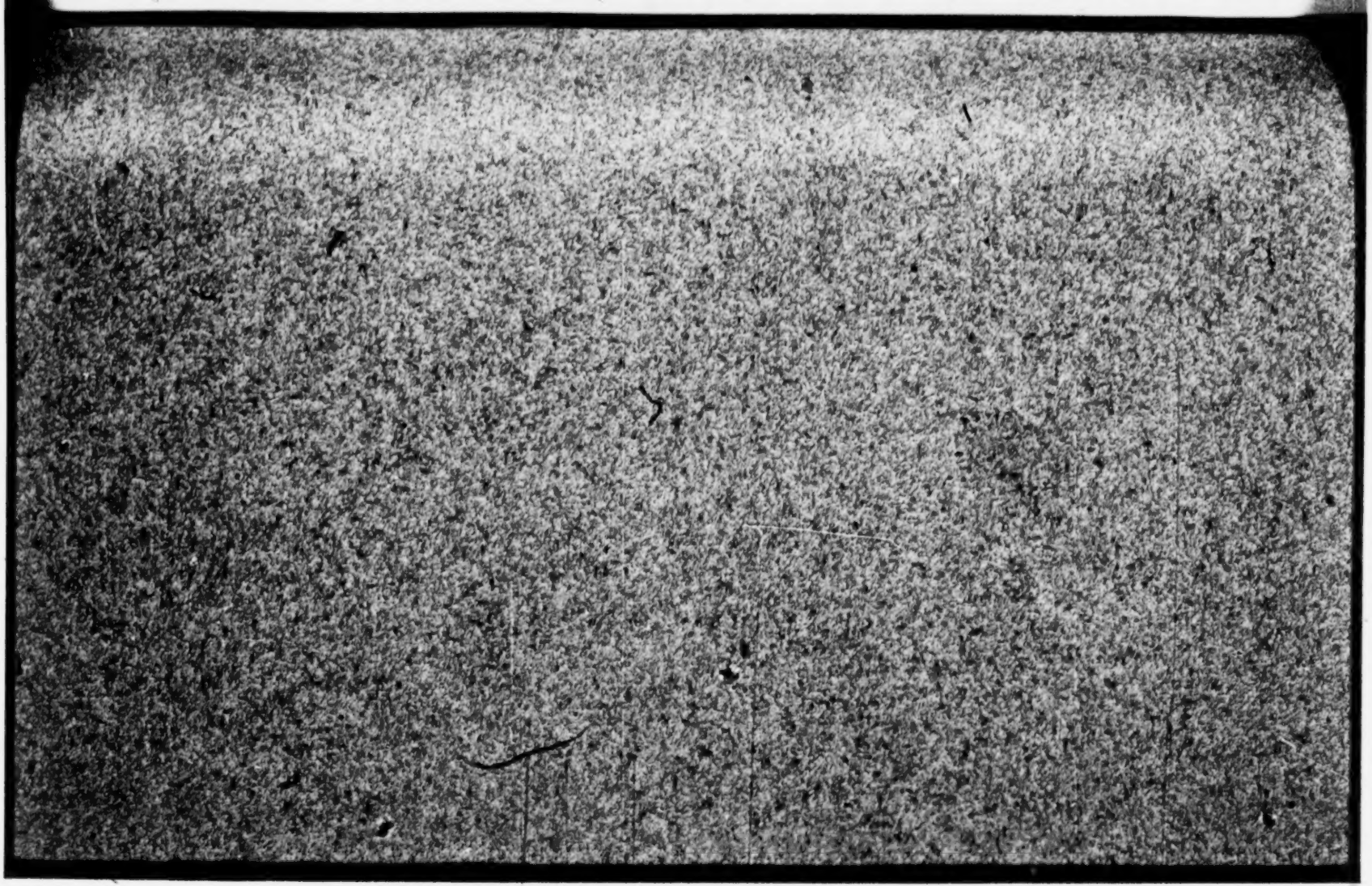
be made upon proof satisfactory to the commissioner that such new matter or amendment was a part of the original invention, and was omitted from the specification by inadvertence, accident, or mistake, as aforesaid." (Italics show changes made)

U. S. Code Tit. 35, Sec. 70, as approved June 30, 1926:

"70. POWER OF COURTS TO GRANT INJUNCTIONS AND ESTIMATE DAMAGES; ASSESSMENT OF DAMAGES AND PROFITS; INCREASE OF DAMAGES; LIMITATION ON RECOVERY OF DAMAGES OR PROFITS; NOTICE TO COMMISSIONER OF SUITS FILED AND DECREES RENDERED. The several courts vested with jurisdiction of cases arising under the patent laws shall have power to grant injunctions according to the course and principles of courts of equity, to prevent the violation of any right secured by patent, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for an infringement the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. If on the proofs it shall appear that the complainant has suffered damage from the infringement or that the defendant has realized profits therefrom to which the complainant is justly entitled, but that such damages or profits are not susceptible of calculation and determination with reasonable certainty, the court may, on evidence tending to establish the same, in its discretion, receive opinion or expert testimony, which is hereby declared to be competent and admissible, subject to the general rules of evidence applicable to this character of testimony; and upon such evidence and all other evidence in the record the court may adjudge and decree the payment by the defendant to the complainant of a reasonable sum as profits or general damages for the infringement. The court shall have the same power to increase such damages, in its discretion, as is given to increase the damages found by verdicts in actions in the nature of

actions of trespass upon the case; but in any suit or action brought for the infringement of any patent there shall be no recovery of profits or damages for any infringement committed more than six years before the filing of the bill of complaint or the issuing of the writ in such suit or action. And it shall be the duty of the clerks of such courts within one month after the filing of any action, suit, or proceeding arising under the patent laws to give notice thereof in writing to the Commissioner of Patents, setting forth in order so far as known the names and addresses of the litigants, names of the inventors, and the designating number or numbers of the patent or patents upon which the action, suit, or proceeding has been brought, and in the event any other patent or patents be subsequently included in the action, suit, or proceeding by amendment, answer, cross bill, or other pleading, the clerk shall give like notice thereof to the Commissioner of Patents, and within one month after the decision is rendered or a decree issued the clerk of the court shall give notice thereof to the Commissioner of Patents, and it shall be the duty of the Commissioner of Patents on receipt of such notice forthwith to indorse the same upon the file wrapper of the said patent or patents and to incorporate the same as a part of the contents of said file or file wrapper; and for each notice required to be furnished to the Commissioner of Patents in compliance herewith a fee of 50 cents shall be taxed by the clerk as costs of suit."





SUPREME COURT OF THE UNITED STATES.

No. 46.—October Term, 1930.

Louis H. Ensten and Lion Knitting Mills Company, Petitioners, *vs.* Simon, Ascher & Co., Inc., Respondent.	On Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit.

[February 2, 1931.]

Mr. Justice McReynolds delivered the opinion of the Court.

By an original bill presented to the District Court, Southern District of New York, November 9, 1929, petitioners sought to prevent respondent from further infringing Letters Patent No. 1,313,080, for improvements in knitted caps and to recover damages. They asked a preliminary injunction; affidavits were presented by both sides; the facts are not controverted.

It appears—

That the patent, 6 claims, issued to Louis H. Ensten August 12, 1919. In the first suit upon it—*Ensten* v. *Rich-Sampliner Co., et al.*—commenced in the District Court, Northern District of Ohio, an interlocutory decree, dated May 24, 1922, adjudged claims 1, 3, 4 and 5 valid and infringed; claim 2 invalid.

That within 30 days the defendants appealed from so much of that decree as upheld the four claims; the complainant might have but did not appeal. The Circuit Court of Appeals approved the decree so far as challenged June 20, 1923; the validity of claim 2 was not before it. Rehearing was denied October 4, 1923; mandate issued October 18, 1923. 291 Fed. 1003.

That after such remittance the District Court ordered an accounting. The complainant offered to show damages to his exclusive licensee, Lion Knitting Mills Company. As that Company was not party to the cause, the Master rejected the offer; the court affirmed his action.

That on April 30, 1924, Ensten disclaimed as to claim 2 in the Patent Office. Thereafter, he and the Lion Knitting Mills Company

presented a joint bill against the original defendants. A motion to dismiss because of unreasonable neglect and delay in making the disclaimer was sustained April 5, 1926, 13 F. (2d) 132—Judge Westenhaver. The Circuit Court of Appeals, May 9, 1927, held the second bill was in effect an amendment to the original one; declared the objection based upon failure to disclaim more promptly moot; reversed the decree of the District Court; and remanded the cause for appropriate proceedings. Subsequently, the parties settled their differences; the defendant paid substantial damages; and final decree went for the complainants November 1, 1928.

No facts except those above detailed are relied upon.

Having heard the parties to the present proceeding, the trial court held that Ensten, the patentee, unreasonably neglected and delayed to disclaim claim 2 after the District Court in Ohio had declared it invalid, denied an application for injunction and dismissed the bill. The Circuit Court of Appeals affirmed this action February 4, 1930, *Ensten et al.* v. *Simon, Ascher & Co.*, 38 F. (2d) 71; called attention to the conflict between its views and those of the Circuit Court of Appeals, Seventh Circuit, *Excelsior Steel Furnace Co.* v. *Meyer & Bro. Co.*, 36 F. (2d) 447, and suggested the desirability of an authoritative determination of the controverted question of law.

The petition here for certiorari asked for the writ because of the conflict of opinion in the two Circuits. The point contested below and differently ruled in the Circuit Courts of Appeals concerns the effect of the delay in disclaiming. According to the usual practice we will consider nothing else.

Determination of the issue presented must turn upon the construction and effect of Sections 65 and 71, Title 35, U. S. C. (R. S. Secs. 4917, 4922; Secs. 7 and 9, Act of 1837, 5 Stat. 193), copied in the margin.*

The first of these sections provides in substance that whenever, through inadvertence, accident, or mistake, and without any frau-

*"Sec. 65. Disclaimer. Whenever, through inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, a patentee has claimed more than that of which he was the original or first inventor or discoverer, his patent shall be valid for all that part which is truly and justly his own, provided the same is a material or substantial part of the thing patented; and any such patentee, his heirs or assigns, whether of the whole or any sectional interest therein, may, on payment of the fee required

dulent or deceptive intention, a patentee has claimed more than that of which he was the original or first inventor or discoverer, he may be permitted to make disclaimer of such parts of the thing patented as he shall not choose to claim or hold by virtue of his patent. The other permits the patentee to maintain a suit on his patent, although through inadvertence, accident, or mistake, and without any wilful default or intention to mislead the public, he has claimed some material or substantial part as an invention of which he was not the original or first inventor. He is deprived, however, of the right to recover costs, unless he has filed proper disclaimer before commencement of his suit. And it further provides: "But no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer."

In order properly to apply these Sections consideration must be given to the provisions touching review of interlocutory decrees by Federal courts. Formerly, federal practice permitted appeals

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by law, make disclaimer of such parts of the thing patented as he shall not choose to claim or to hold by virtue of the patent or assignment, stating therein the extent of his interest in such patent. Such disclaimer shall be in writing, attested by one or more witnesses, and recorded in the Patent Office; and it shall thereafter be considered as part of the original specification to the extent of the interest possessed by the claimant and by those claiming under him after the record thereof. But no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing it. (R. S. Sec. 4917.)

"Sec. 71. Suit for infringement where specification too broad. Whenever, through inadvertence, accident, or mistake, and without any wilful default or intent to defraud or mislead the public, a patentee has, in his specification, claimed to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the original and first inventor or discoverer, every such patentee, his executors, administrators, and assigns, whether of the whole or any sectional interest in the patent, may maintain a suit at law or in equity, for the infringement of any part thereof, which was bona fide his own, if it is a material and substantial part of the thing patented, and definitely distinguishable from the parts claimed without right, notwithstanding the specifications may embrace more than that of which the patentee was the first inventor or discoverer. But in every such case in which a judgment or decree shall be rendered for the plaintiff no costs shall be recovered unless the proper disclaimer has been entered at the Patent Office before the commencement of the suit. But no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer. (R. S. Sec. 4922)."

only from final decrees. Section 7, Act March 3, 1891, 26 Stat. 828, empowered Circuit Courts of Appeals to review an interlocutory decree granting or continuing an injunction. *Ex parte National Enameling Co.*, 201 U. S. 156. This section was modified by Act of 1895, Chap. 96, 28 Stat. 666, and by Act of June 6, 1900, 31 Stat. 660. And the Act of April 14, 1906, 34 Stat. 116, amended it to read thus—

> "Sec. 7. That where, upon a hearing in equity in a district or in a circuit court, or by a judge thereof in vacation, an injunction shall be granted or continued, or a receiver appointed by an interlocutory order or decree, in any cause an appeal may be taken from such interlocutory order or decree granting or continuing such injunction, or appointing such receiver, to the circuit court of appeals:"

The Judicial Code, Act March 3, 1911, 36 Stat. 1134, provided—

> "Sec. 129. Where upon a hearing in equity in a district court, or by a judge thereof in vacation, an injunction shall be granted, continued, refused, or dissolved by an interlocutory order or decree, or an application to dissolve an injunction shall be refused, or an interlocutory order or decree shall be made appointing a receiver, an appeal may be taken from such interlocutory order or decree granting, continuing, refusing, dissolving, or refusing to dissolve, an injunction, or appointing a receiver, to the circuit court of appeals, notwithstanding an appeal in such case upon final decree under the statutes regulating the same, be taken directly to the Supreme Court: Provided, That the appeal must be taken within thirty days from the entry of such order or decree . . ."

See Act of 1925, Sec. 227, Title 28, U. S. C., which further enlarged the right.

Did the patentee Ensten unreasonably neglect or delay to make disclaimer of claim 2 after May 24, 1922, when the District Court in Ohio declared it invalid? He disclaimed April 30, 1924; and only the facts narrated above are relied on for explanation or excuse.

Under the early accepted general rule a patent with an invalid claim was wholly void, and this defect effectually barred suit upon it. Congress undertook to modify this by Sections 7 and 9, Chap. 45, Act of 1837. 5 Stat. 193. In substance these

became Sections 4917 and 4922, Revised Statutes, and 65 and 71, Title 35, U. S. C. The two sections "are parts of one law, having one general purpose, and that purpose is to obviate the inconvenience and hardship of the common law, which made a patent wholly void if any part of the invention was wrongfully claimed by the patentee, and which made such a defect in a patent an effectual bar to a suit brought upon it." *Hailes* v. *Albany Stove Co.*, 123 U. S. 582; *Sessions* v. *Romadka*, 145 U. S. 29, 41. Construed together they "enact that where a patentee claims materially more than that which he was the first to invent, his patent is void, unless he has preserved the right to disclaim the surplus; and that he may fail to preserve that right, by unreasonable neglect or delay to enter a disclaimer in the Patent Office." Walker on Patents, 6th Ed., Sec. 254.

The statute is remedial; the intent is to aid the inventor free from wilful default or intention to mislead the public by permitting him to avoid the consequence of inadvertence, accident or mistake through prompt disavowal of the apparent right to exclude others from something improperly included in the words of his grant. Escape is permitted only to one who acted originally in good faith and who has complied with the prescribed conditions. "The same principle which forbids a patentee to assert a right to more than he has actually invented compels him to disavow the right as soon as he discovers that it has been unjustly claimed. Unreasonable delay in disclaiming is thus tantamount to an original fraudulent claim, and through it the patentee loses the privilege of making the amendment by which alone his patent could be saved. The question of unreasonable delay is a question for the court, upon the facts as found either by its own investigation or the verdict of a jury. Delay begins whenever the patentee becomes aware that he has claimed more than he has invented or described. In cases where the excess is not apparent at once upon the inspection of the patent by the patentee, the allowance of his claim by the patent office raises such a presumption in its favor that he may rely on its validity until a court of competent jurisdiction decides that it is broader than his real invention." Robinson on Patents (1890), Volume II, page 284.

The petitioners say that after Judge Westenhaver by interlocutory decree declared claim 2 invalid the patentee had several

options. He might have made disclaimer immediately; he might have appealed from the interlocutory decree within 30 days; he might have awaited the final decree and appealed from that; he might have sued again in another Circuit and prosecuted such suit to final decree. Accordingly, they maintain that the delay which actually occurred cannot be declared unreasonable.

Under this view, a patentee having procured allowance of an invalid claim may hold it in the face of the public for years (here nearly two years) with large possible advantage to himself and much injury to others. By the assertion of his apparent monopoly he may deter others from legitimate action and seriously prejudice the public. See *Miller* v. *Brass Co.*, 104 U. S. 350, 355.

To support their position petitioners rely especially upon *O'Reilly* v. *Morse* (1853), 15 How. 62,121, and *Seymour* v. *McCormick* (1856), 19 How. 96,106.

O'Reilly v. *Morse* was decided here when appeals in federal courts lay only from final decrees. The Circuit Court had sustained all claims of the patent. This Court held one invalid and then disposed of the contention that because of the failure to disclaim there could be no right to recover under the valid ones. Mr. Chief Justice Taney for the court said:

> "It appears that no disclaimer has yet been entered at the patent office. But the delay in entering it is not unreasonable. For the objectionable claim was sanctioned by the head of the office; it has been held to be valid by a circuit court, and differences of opinion in relation to it are found to exist among the justices of this court. Under such circumstances the patentee had a right to insist upon it, and not disclaim it until the highest court to which it could be carried had pronounced its judgment. The omission to disclaim, therefore, does not render the patent altogether void; and he is entitled to proceed in this suit, for an infringement of that part of his invention which is legally claimed and described. But as no disclaimer was entered in the patent office before this suit was instituted, he cannot, under the act of Congress, be allowed costs against the wrongdoer, although the infringement should be proved. And we think it is proved by the testimony."

Seymour v. *McCormick* declared—"In respect to the question of unreasonable delay in making the disclaimer, as going to the

whole cause of action, the court are of opinion that the granting of the patent for this improvement, together with the opinion of the court below maintaining its validity, repel any inference of unreasonable delay in correcting the claim; and that, under the circumstances, the question is one of law. This was decided in the case of the Telegraph, (15 How. [62] 121)."

Neither of these cases lends support to the petitioners. Attention also has been called to *United States* v. *American Bell Tel. Co.*, 167 U. S. 224, *Simmons Co.* v. *Grier Bros.*, 258 U. S. 82, 91, and other causes; but their facts differ so materially from those now presented that special comment upon them is unnecessary.

In certain definitely defined circumstances and to the end that the mistaken but honest inventor may obtain relief from the old rule, the disclaimer provisions permit him to deprive the public temporarily of complete freedom from the assertion of a monopoly apparently valid, but not so in fact. When a competent court has declared his pretentions without sufficient foundation, we think good faith and the spirit of the enactment demands that he act with such promptness as the circumstances permit either to vindicate his position or to relieve the public from further evil effects of his false assertion. But for the benign provisions of the statute, such an assertion would invalidate the whole patent; and these provisions were intended to protect only those who by prompt action either seek to overturn an adverse ruling or retreat from a false position.

When the District Court in Ohio declared claim 2 invalid the owner of the patent might have appealed to the Circuit Court of Appeals within thirty days and thus secured an early determination of his rights. He did not choose this course but continued to hold himself out as possessor of the sole right to "make, use and vend" under the rejected claim for nearly two years. Then he abandoned it. He made no effort promptly to vindicate what he had asserted nor did he surrender it. Thus he failed to earn the offered exemption and now he may not complain.

A similar view of the meaning and effect of Sections 65 and 71 has been often accepted by District Courts and Circuit Courts of Appeals. The doctrine there commonly approved is that where one claim of a patent is declared invalid, the trial court may refuse a decree sustaining the others until there is disclaimer as to the in-

valid one or a prompt appeal. Walker on Patents, 6th Ed., Sec. 260, copied in the margin.* First Circuit: *Suddard* v. *American Motor Co.*, 163 Fed. 852 (1908). Second Circuit: *Atwater* v. *Beecher* (C. C.) 8 Fed. 608; *Tyler* v. *Galloway* (C. C.) 12 Fed. 567; *Brainard* v. *Cramme* (C. C.) 12 Fed. 621; *Matthews* v. *Spagenberg* (C. C.) 19 Fed. 823; *Hake* v. *Brown* (C. C.) 37 Fed. 783; *Electric Acc. Co.* v. *Julien* (C. C.) 38 Fed. 117; *Union Paper Bag Co.* v. *Waterbury* (C. C.) 39 Fed. 389; *Steam Gauge Co.* v. *Kennedy* (C. C.) 41 Fed. 38; *Williams* v. *Barnard* (C. C.) 41 Fed. 358; *Smead* v. *Union* (C. C.) 44 Fed. 614; *Brush* v. *Electric Acc. Co.* (C. C.) 47 Fed. 48; *Ballard* v. *McCluskey* (C. C.) 58 Fed. 880. Sixth Circuit: *Odell* v. *Stout*, 22 Fed. 159; *Office Specialty Mfg. Co.* v. *Globe Co.*, 65 Fed. 599; *Morgan Co.* v. *Alliance Co.*, 176 Fed. 100; *Herman* v. *Youngstown*, 191 Fed. 579, 587; *Cummer* v. *Atlas Dryer Co.*, 193 Fed. 993, 998; *Higgin Mfg. Co.* v. *Watson*, 263 Fed. 378. Seventh Circuit: *Liquid Carbonic Co.* v. *Gilchrist Co.*, 253 Fed. 54, 58.

In *Page Machinery Co.* v. *Dow, Jones & Co.*, 168 Fed. 703, decided in 1909 prior to the enlarged appeal provision in the Judicial Code, the Second Circuit Court of Appeals expressed disapproval

*"Sec. 260. An important question arises when a District Court, before any disclaimer has been filed, decides that a part of the claims of the patent in suit are valid, and have been infringed by the defendant, while another part are void for want of novelty, or for want of invention, and ought therefore to be disclaimed. Ought the judge in such a case, to enter a decree for an injunction and an account on the valid claims, and allow the complainant to disclaim the others or not, as he deems most prudent; or should he decline to enter any decree till the complainant shall have filed a disclaimer? The second of these courses has been the practice in the first circuit, in the sixth, in the seventh, and, prior to the decision of Page Machine Co. v. Dow, Jones & Co., in the second circuit [168 Fed. 703]; prior to the Page Machine Co. case one of the judges in the second circuit criticised that practice as arbitrary and unjust, and in at least one case in the sixth circuit the practice has not been followed by the Circuit Court, the reason being given that such a requirement would deprive the complainant of the benefit of an appeal from the decre in so far as it held the disclaimed claim invalid. The same reason is stated in the Page Machine Co. case. And one of the judges of the third circuit has held the first course to be the proper practice.

"Where a patentee through inadvertence claimed that of which he was not the original inventor, but a disclaimer was not filed before suit, no recovery can be allowed or injunction, unless a disclaimer be filed within a reasonable time."

of the then prevailing practice upon the ground that an inventor should not be required to accept the opinion of a single judge. The principle reason for this objection disappeared when the Judicial Code became effective and broader appeals from interlocutory orders were permitted.

In *Excelsior Steel Furnace Co.* v. *Meyer & Bro. Co.*, the Circuit Court of Appeals, Seventh Circuit, declared that "in no case would a court be justified in finding that a patentee unreasonably delayed the filing of a disclaimer until after the expiration of the statutory period within which he might further litigate the question of the validity of the contested claims." But, in *Liquid Carbonic Co.* v. *Gilchrist, supra*, the same court had said "that under the circumstances indicated in these statutes [Secs. 4917, 4922, R. S.] benefit of any recovery by the patentee is denied unless or until disclaimer is filed." So far as we are advised no other court has sustained the theory advanced by the petitioners.

Certainly, in this case where an appeal was taken by the defendants, it would have entailed no unreasonable hardship upon the patent owner promptly to have submitted the legality of the rejected claim for determination by the appellate court. The route to that end was obvious, easy, inexpensive. He deliberately failed to defend his assertion of right by appealing. He has been guilty of unreasonable delay and has not brought himself within the beneficent provisions of the statute.

The judgment below must be affirmed.

A true copy.

Test:

Clerk, Supreme Court, U. S.